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Japan

Further on Reaction to Iraqi Invasion of Kuwait

Government Mulls Sanctions

OW0208170090 Tokyo KYODO in English 1642 GMT 2 Aug 90

[Excerpt] Tokyo, Aug. 3 (KYODO)—The Japanese Government denounced Iraq's invasion of Kuwait on Thursday and indicated it is poised to impose economic sanctions against it. A top-ranking official at the Foreign Ministry said the government is considering a review of its decision early this year to unfreeze Japan's loans to Iraq as well as a boycott of oil purchases from it.

The planned embargoes follow a U.S. decision to freeze Iraqi assets in the United States and a call by the United Nations Security Council for an unconditional withdrawal of Iraqi troops and immediate negotiations between the neighboring countries.

The credits under a possible review are part of the 294.5 billion yen loans agreed in 1974 between the two countries. Japan had suspended the loans since 1985 due to a delay in Iraq's debt payments but decided to reopen them in order to help restore the Iraqi economy, battered by the eight-year Iran-Iraq war.

Meanwhile, the ministry also said it has confirmed the safety of all of the 267 Japanese now staying in Kuwait. Three Japanese, who had scheduled to leave Kuwait by Thursday are also believed to be safe, it said.

The ministry's embargo plan emerged after government leaders expressed condemnation of the Iraqi invasion earlier in the day. [passage omitted]

Watanabe Talks With U.S.

OW0308001590 Tokyo KYODO in English 2336 GMT 2 Aug 90

[By Shiro Yoneyama]

[Excerpts] Washington, Aug. 2 KYODO—U.S. President George Bush called Thursday for the withdrawal of Iraqi troops from Kuwait, saying the United States is in close contact with other countries to reach "collective action" to deal with the Iraqi invasion. [passage omitted].

In Washington, the State Department called in the ambassadors from America's allies in Canada, Western Europe, Japan, and Australia to brief them on the U.S. policy. [passage omitted]

Robert Kimmitt, under secretary of state for political affairs, met with Japanese Ambassador Ryohei Murata and envoys from member countries of the North Atlantic Treaty Organization and Australia to brief them on the U.S. action against Iraq and discuss options to deal with the Middle East crisis.

"It's important to show (Western) unity in dealing with Iraq," a senior U.S. official said of Kimmitt's meetings with the ambassadors.

A Japanese diplomat said Makoto Watanabe, director general of the Foreign Ministry's Middle Eastern and African Affairs Bureau, conferred with officials from the White House, the National Security Council, and the departments of state and defense.

Watanabe's trip to Washington was originally intended to focus on Prime Minister Toshiki Kaifu's visit to the Middle East in mid-August. But Japanese and U.S. officials said the Iraqi invasion dominated his talks with U.S. policy planners. [passage omitted]

Phone Links With Kuwait 'Cut'

OW0308025390 Tokyo KYODO in English 0129 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—International telephone lines between Japan and Kuwait have been disconnected since the early hours of Friday, a Japanese international telecommunications company said.

According to a spokesman for KDD Ltd., satellite lines linking Japan to Kuwait via a ground relay station in Kuwait were suddenly cut off at 1 AM Japan Time [1600 GMT] and remain disconnected.

It is not known when the lines will be restored, according to the spokesman.

Economic Sanctions 'Shortly'

OW0308032790 Tokyo KYODO in English 0303 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—Japan will impose economic sanctions against Iraq for its invasion of Kuwait, government officials said Friday. The officials said the government will formally decide sanctions shortly and that they could include a freeze on loans to Iraq and a suspension of crude oil imports from that country.

Under an economic and technology cooperation agreement concluded in 1974, Japan has committed to provide 74.5 billion yen in government yen loans and another 220 billion yen in export credits to Iraq. Japan, however, froze the loans to Iraq with about 30 billion yen remaining in 1985 when Iraq stopped repayment on the loan debts during its war with Iran. The Japanese Government eventually resumed the release of the loans following urgent requests from Iraq.

Regarding the possible halting of trade with Iraq, one government source said it is naturally necessary to halt all exports from Japan.

Sakimoto on Imposing Measures

OW0308035090 Tokyo KYODO in English 0325 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—Japan will cooperate with other countries in imposing sanctions on Iraq for invading Kuwait, Chief Cabinet Secretary Misoji Sakamoto said Friday. Japan "strongly censures (IRAQ) and will carry out the United Nations Security Council resolution" condemning Iraq, Sakamoto said. The announcement came as Prime Minister Toshiki Kaifu prepared to return from a hotsprings resort in Gunma Prefecture to study Japan's response to the crisis, cutting short his five-day vacation by a day.

Sakamoto said that Japan would act with Western and Arab countries, but declined to mention what specific measures Japan is considering.

Government sources said possible economic sanctions include freezing yen loans to Iraq, barring imports of crude oil, and stopping all trade.

Sakamoto said Japan is currently collecting pertinent information from Western nations and through embassies in the Middle East.

Embargo Concerns Oil Industry

OW0308061190 Tokyo KYODO in English 0544 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—Japan's oil industry is worried about a possible government embargo on oil imports from Iraq, industry sources said Friday. Industry sources cited that a long-term embargo could create instability in the market and reduce a stable oil supply for Japan.

A Japanese government official said the Government is still studying possible steps to implement against Iraq following its invasion of Kuwait on Thursday, but would not make an official decision until later in the day.

Japan currently imports about 6 percent of it oil needs from Iraq. Japanese oil companies, trading houses, and other firms imported 227,000 barrels a day of oil from Iraq in the first half of this year.

A Nippon Oil Co. official said that the company is studying measures to take if price and oil supply stability are upset due to a long-term war in the region.

Kaifu: Invasion 'Regrettable'

OW0308084590 Tokyo KYODO in English 0808 GMT 3 Aug 90

[Text] Karuizawa, Nagano Pref., Aug. 3 KYODO—Prime Minister Toshiki Kaifu called the Iraqi invasion of neighboring Kuwait "regrettable" and cut short a summer retreat in the mountains to return to Tokyo on Friday to outline Japan's response to the Middle East eruption.

While telling reporters the invasion would likely have little effect on Japan, Kaifu said he was cutting short by a day his scheduled five-day vacation to discuss with other Japanese leaders in Tokyo possible economic sanctions against Iraq.

Upon his return to Tokyo, Kaifu will likely discuss halting yen loans to Iraq and the cessation of oil purchases and trade with that country, government sources said.

Government To Freeze Assets

OW0308095990 Tokyo KYODO in English 0926 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—Japan on Friday announced that it has agreed to a Kuwaiti Government request to freeze the country's assets in Japan in the wake of Iraq's invasion and occupation of Kuwait on Thursday. Foreign Ministry spokesman Taizo Watanabe told reporters that the move was made in compliance with a request issued Thursday by acting Kuwaiti Ambassador Adel Hasan [name as received].

Watanabe said Japan would consider taking further measures after hearing the results of deliberations to be undertaken in the United Nations Security Council later in the evening.

Chief Cabinet Secretary Misoji Sakamoto said earlier Friday that Japan will cooperate with other countries in imposing sanctions on Iraq for invading Kuwait. Japan "strongly censures (Iraq) and will carry out the United Nations Security Council resolution" condemning Iraq, Sakamoto said. Sakamoto indicated the punitive measures would be decided after he and Prime Minister Toshiki Kaifu held discussions with Foreign Ministry officials following Kaifu's return to Tokyo later in the evening.

The prime minister is cutting short by a day his five-day vacation at a mountain resort to discuss Japan's response to the Middle East crisis.

Kaifu, in his first comment on the invasion on Friday, described Iraq's attack Thursday on its tiny neighbor as "regrettable." Kaifu added, however, that he did not think the invasion would have much impact on Japan.

Sakamoto said that Japan would act with Western and Arab countries, but declined to say what specific measures Japan is considering.

Government sources said possible economic sanctions include freezing yen loans to Iraq, barring imports of crude oil, and stopping all trade.

Under an economic and technology cooperation agreement concluded in 1974, Japan is committed to providing 74.5 billion yen in government yen loans and another 220 billion yen in export credits to Iraq. Japan froze the loans to Iraq with about 30 billion yen remaining in 1985, however, when Iraq stopped repayments on the loan debts during its war with Iran. The Japanese Government eventually resumed the release of the loans following urgent requests from Iraq.

Regarding the possible halting of trade with Iraq, one government source said it is naturally necessary to halt all exports from Japan

Meanwhile, the Finance Ministry said it will ask banks and brokerage houses to freeze Kuwaiti financial assets in Japan. The measure is not an order but an administrative advice because there is no domestic law to enforce such a financial freeze, officials said.

Further on Assets, Sanctions

OW0308132890 Tokyo KYODO in English 1231 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—The Japanese Government has called on Japanese financial concerns to protect Kuwaiti assets in Japan in the wake of Iraq's invasion and occupation of the tiny oil-rich emirate on Thursday, the Foreign Ministry said Friday. Foreign Ministry spokesman Taizo Watanabe, who told reporters that Japan "condemns strongly" the Iraqi invasion, also said Japan is considering the implementation of other measures after the United Nations Security Council concludes its deliberations on the issue later Friday. Apart from the probability of Japan's acceding to whatever "binding" measures are agreed to by the U.N. Security Council, Watanabe said Japan is also studying what additional actions it can take separately "in order to show our position vis-a-vis this incident."

Meanwhile, Prime Minister Toshiki Kaifu cut short by one day his five-day vacation in a central Japan summer resort to discuss what measures Japan should take.

Kaifu, in a speech at a business seminar in Karuizawa, Nagano Prefecture, said he feels not only surprise but also anger at Iraq's invasion of Kuwait and that Japan will take proper action. He did not specify what action might be taken. The prime minister added, however, that he welcomes the concerted U.S. and Soviet calls for an end to Iraq's military actions.

Immediately on his return to Tokyo from Karuizawa, Kaifu held consultations with Chief Cabinet Secretary and Acting Foreign Minister Misoji Sakamoto on Japan's sanctions against Iraq, officials said.

On the measures Japan has taken so far, Foreign Ministry spokesman Watanabe said the Ministry of Finance has asked the Bankers' Association of Japan and the Japan Securities Dealers Association to take steps to protect Kuwaiti assets in Japan which he said are of the order of "a few tens of billions of dollars," including stocks and securities. Officials said Kuwait's assets in Japan amount to around 20 billion dollars.

The two financial organizations said they have accepted the Finance Ministry request and urged member banks and brokerage houses to abide by it.

Specifically, Watanabe said, the banking and securities sector has been asked to "confirm cautiously" any requests for withdrawals or for remittances of money or other assets from accounts held by the Kuwaiti Government or its affiliates in Japan. "They should make doubly sure that the request does come from the genuine owner of the assets concerned," Watanabe said.

Watanabe said Japanese private companies and institutions have been further advised by the government "that no action should be taken to undermine the measures taken by other countries." He said in this vein that Japanese oil companies would not undermine an embargo on Iraqi petroleum imports by friendly Western countries by purchasing surplus supplies resulting from the embargo.

Japanese imports of crude oil from Iraq in 1989 totaled about 217,000 barrels a day, or some 6 percent of its total crude oil imports, Watanabe said. Another 167 barrels a day, or 4.6 percent of the total, were imported from Kuwait during the year, he said.

Chief Cabinet Secretary Sakamoto said earlier Friday that Japan will cooperate with other countries in imposing sanctions on Iraq for invading Kuwait. Japan "strongly censures (Iraq) and will carry out the United Nations Security Council resolution" condemning Iraq, Sakamoto said. Sakamoto said that Japan would act with Western and Arab countries, but declined to say what specific measures Japan is considering.

Kaifu, in a brief exchange with reporters Friday, described Iraq's attack Thursday on its tiny neighbor as "regrettable." Kaifu added, however, that he did not think the invasion would have much impact on Japan.

Japan, the world's second-largest oil importer, imports some 20 percent of its oil from the United Arab Emirates, 13 percent from Saudi Arabia, 8 percent from Iran, and 7 percent from Oman, Foreign Ministry officials said.

Watanabe would not say if Japan is considering cutting its imports of Iraqi oil as part of an emerging collective international effort to pressure Iraq to withdraw from Kuwait. The United States and Britain took the step on Thursday. "At this moment we are considering so many things," the spokesman said without elaboration.

Watanabe pointed out, however, that there is presently a glut in oil supplies, adding that Japan has supplies in storage that would serve its needs for 140 days. "It is reasonable to assume that efforts can be made to find alternative sources of petroleum," he said.

Watanabe said if the situation created by the Iraqi invasion of Kuwait becomes protracted, "I think there will be an adverse effect on the (Japanese) balance of payments."

The spokesman stressed the importance of the U.N. Security Council's reaching a set of binding conclusions if the Japanese Government is to have a legal basis on which to implement measures against Iraq. "That sort of international agreement is regarded highly in our system," he said. "We would like to base our actions on the actions in the U.N.S.C. [UN Security Council], rather than taking unilateral actions."

Watanabe would not characterize the government's administrative guidance to the Japanese private sector on the issue of protecting Kuwaiti assets as constituting a "freeze" as was ordered in the case of the United States. But he said that in Japan's case, governmental advice in itself serves as a "very effective" means of achieving the desired results. "However you describe it, we are doing exactly the same thing as other countries as far as these assets are concerned," he said.

Government sources said possible economic sanctions include freezing yen loans to Iraq, barring imports of crude oil, and stopping all trade. Under an economic and technology cooperation agreement concluded in 1974, Japan is committed to providing 74.5 billion yen in government yen loans and another 220 billion yen in export credits to Iraq. Japan froze the loans to Iraq with about 30 billion yen remaining in 1985, however, when Iraq stopped repayments on the loan debts during its war with Iran.

The Japanese Government eventually resumed the release of the loans following urgent requests from Iraq.

Regarding the possible halting of trade with Iraq, one government source said it is naturally necessary to halt all exports from Japan.

Ministry Denies Kaifu Remarks on Gorbachev Visit

OW0308120790 Tokyo KYODO in English 1145 GMT 3 Aug 90

[Text] Karuizawa, Nagano Pref., Aug. 3 KYODO—Prime Minister Toshiki Kaifu said Friday the Soviet Union has informed Japan through official channels that President Mikhail Gorbachev plans to visit Japan next March. The Foreign Ministry, however, immediately denied that the visit has been officially set for March.

In an address at a summer seminar sponsored by the Tokyo Chamber of Commerce and Industry in the resort of Karuizawa, Nagano Prefecture, Kaifu said the Soviet Union disclosed the date of the visit during high-level bilateral consultations that took place earlier this week in Moscow.

"Naturally we are expecting the president's visit to serve as the launching point for resolving our dispute over the (territorial) dispute," Kaifu said.

Japanese Deputy Foreign Minister Hisashi Owada and his Soviet counterpart Igor Rogachev, during talks between Monday and Wednesday, agreed to expand relations to pave the way for a successful visit by Gorbachev next spring.

Last week Gorbachev told Japanese lay Buddhist leader Daisaku Ikeda that he plans to visit during cherry blossom season.

Soviet-Japan relations have been deadlocked over a territorial dispute over four islands off Hokkaido occupied by the Soviets since World War II.

Japan, in line with improved East-West relations, earlier this year began pursuing a "balanced expansion" of relations, including greater personnel exchanges.

Kaifu indicated in the speech he intends to remain flexible on expanding relations, despite the official government line that the return of the islands is a prerequisite for stronger ties.

Sakhalin Governor Fedorov Arrives in Wakkanai

OW0208130290 Tokyo KYODO in English 1125 GMT 2 Aug 90

[Text] Asahikawa, Hokkaido, Aug. 2 KYODO—An eight-member Soviet delegation led by Sakhalin Governor Valentin P. Fedorov arrived at Wakkanai, the northernmost tip of Japan, Thursday on board a ferry.

It is the first time that the Foreign Ministry has allowed a senior Soviet official to enter Japan via Wakkanai. Entry to some areas in Wakkanai, including the port, by Soviets is forbidden because the Air Self-Defense Force has a radar site there.

The Soviet mission, invited by the Hokkaido government, will attend an import fair of goods from the United States and the Soviet Union to be held Friday in Wakkanai and will also meet with Hokkaido Governor Takahiro Yokomichi. The delegation will leave Wakkanai next Tuesday for Kholmsk, Sakhalin, on board a ferry. Foreign Ministry officials said entry into restricted areas by Soviets will be considered on a case-by-case basis and that the ministry will relax restrictions. The ferry service between Wakkanai and Kholmsk was inaugurated last summer.

Philippine Rebel Group Frees Aid Worker Mizuno

Kaifu Thanks Aquino for Release

OW0208125790 Tokyo KYODO in English 1147 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Prime Minister Toshiki Kaifu thanked Philippine President Corazon Aquino Thursday for helping obtain the release of kidnapped Japanese aid worker Fumio Mizuno, a top government spokesman said. Chief Cabinet Secretary Misoji Sakamoto also told reporters Japan condemns kidnapping as an inhumane act, and plans to tighten measures safeguarding Japanese nationals living overseas.

Sakamoto said that Kaifu and Foreign Minister Taro Nakayama have expressed their appreciation to the Philippine Government for doing their utmost to secure Mizuno's release after two months as a hostage of the New People's Army. "Kidnapping is an inhumane and unacceptable act," he said.

Mizuno Gives News Conference

OW0208232590 Tokyo KYODO in English 1624 GMT 2 Aug 90

[Text] Bacolod, Philippines, Aug. 2 (KYODO)—Communist rebels on Thursday separately freed a Japanese aid worker and a U.S. Peace Corps volunteer they have been holding captive for the past two months.

Lawyer Andres Hagad said two soldiers captured by the rebels in northern Negros Island were also released together with Timothy Swanson, 26, who was freed late Thursday afternoon along a riverbank near a mountain village, 40 kilometers northeast of Bacolod. Earlier, Fumio Mizuno, 36, was handed over to a "freedom committee" led by retired Bishop Antonio Fortich during brief ceremonies near Murcia town, 16 kilometers southeast of here.

"I am very happy to be back safe and I could already drink beer and I am very calm now. I can meet my family," Mizuno told a news conference following a medical checkup at the Riverside Medical Center. Mizuno said he did not feel danger during the 65 days he spent with his rebel captors although at times he felt pessimistic about his chances of coming out alive.

The rebels told him they abducted him because they "doubted his work" and suspected his ties with the military.

"I find it's very difficult to get understanding," said Mizuno when asked to explain about the activities of his group, the Organization for Industrial, Spiritual and Cultural Advancement (OISCA).

Mizuno said he did not think OISCA paid ransom to the rebels who initially demanded 5 million pesos for his his safe release.

He expressed thanks to Fortich whom he said "played a big role" in securing his freedom and to other members of the freedom committee led by Negros Occidental Gov. Daniel Lacson. "I hope this is the last of the kidnappings in Negros," said Fortich.

About seven hours after Mizuno's release, another rebel unit freed Swanson of Cheyenne, Wyoming, along the banks of the Malgo River as scores of reporters and villagers watched.

"I am really glad to be out. I am very tired, I am going to pass out," said the U.S. Peace Corps volunteer who, like Mizuno, is married to a Filipino.

A rebel statement read during the turnover rites said Swanson was freed because there was no "prima facie" evidence linking him to the military's counterinsurgency drive.

In Manila, U.S. Ambassador Nicholas Platt welcomed Swanson's release and thanked those who helped negotiate his return to freedom. "The embassy is relieved that he is safe, unharmed, and apparently in good health," Platt said in a statement.

On June 27, the U.S. ordered the pullout of all its Peace Corps volunteers from the Philippines because of rebel threats.

Bush's 'Stomping' Comment on Trade Denied

OW0208055390 Tokyo KYODO in English 0521 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Chief Cabinet Secretary Misoji Sakamoto denied news reports Thursday morning that U.S. President George Bush told Japan it could stymie multinational trade talks if its ban on rice imports is not eased. Bush reportedly told Japanese Prime Minister Toshiki Kaifu that if Japan continues its complete ban on rice imports, it would risk being viewed as a "culprit in stomping" efforts toward a successful conclusion of the Uruguay round of trade talks.

Sakamoto, speaking at a press conference, referred to an article in a Japanese newspaper which reported Thursday that Bush had issued such a warning at the Houston summit held at the beginning of July. It was said to be the first time that a U.S. president was quoted as personally and directly demanding Japan's political decision in solving the rice agenda.

Sakamoto said he had heard that rice had come up in the talks but that he had not heard of Japan being criticized as "stomping" the Uruguay Round.

Okinawans Demand Halt to U.S. Aerial Exercise

OW0308053590 Naha RYUKYU SHIMPO in Japanese 2 Aug 90 Evening Edition p 7

[Text] The U.S. Air Force stationed in Japan is scheduled to conduct a military aviation exercise codenamed "August '90" for five days from 6 to 10 August. The Okinawa Chapter of the All Japan Council of Transport Workers Union (with Yu Zamami as chapter head) held negotiations with Hiroki Saito, chief of Naha Air Traffic Control Department, from 1000 on the morning of 2 August, in opposition to this exercise. They submitted a "written demand for ensuring civil aviation safety" requesting that the exercise be suspended.

The written demand states: "At present, there are 15 W-areas (aerial regions for training) that hamper the efficient use of aerial regions in the air space over Okinawa. Moreover, exclusive Arutorabu [as published] has been set up and the Kadena Rapukon [as published]—which enjoys something like exterritorial rights—has continued to exist. Thus, the unchanged and typical arrangement giving priority to the military still exists."

While strongly criticizing troubles caused by past exercises, the written demand states: "The U.S. forces enforced their exercises (codenamed Beachcrest) for three consecutive years despite our strong opposition. There used to be incidents of radar wave interference and a near-miss incident took place last January. Thus it has become clear that the air space over Okinawa is dangerous."

Concerning the scheduled exercise, the written demand states the opposition to the exercise as follows: "August is the busy season in Okinawa and we can never allow such an inconsiderate exercise to be conducted in this busy season." The written demand includes the following requests: 1) drastic measures should be taken to ensure safety in the aerial space over Okinawa; 2) exercises that may hamper civil aircraft safety in navigation should be suspended; and 3) it should be made clear on what grounds it is based that the U.S. forces' plans for exercises "cannot be rejected" in principle.

International Conference on Korea Opens in Osaka

OW0308041790 Tokyo KYODO in English 0154 GMT 3 Aug 90

[Text] Osaka, Aug. 3 KYODO—Scholars from North and South Korea met for the first time in Osaka Friday at a three-day international academic forum on Korean studies, organizers said.

More than 1,200 scholars from 14 countries are attending the forum at the Osaka International Exchange Center, which is cosponsored by Osaka University of Law and Economics and Beijing University. When the two universities held similar forums in Beijing twice previously, only North Korean scholars participated. About 200 hundred South Koreans, including Seoul National University Professor An Pyong-jik and legislator of the Party for Peace and Democracy Cho Sunsung, are attending the forum for the first time, the organizers said.

From North Korea, some 120 persons, including Yi Hyong-chol, of the Institute on Disarmament and Peace and Kim Chol-sik, deputy director of the Social Science Institute, are joining in the discussions, they said. On Saturday, the participants will hold a symposium entitled "The End of Cold War and Asia-Pacific," to discuss unification of the divided Korean peninsula, the organizers said.

Korean Residents Groups Agree to Liaison Organ

OW0208002790 Tokyo KYODO in English 1449 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 KYODO—Pro-Seoul and Pro-Pyongyang Korean residents groups in Japan agreed Wednesday to set up a liaison organization to discuss joint participation in a pan-Korean rally scheduled for mid-August at the truce village of Panmunjom. Senior officials of the Pro-Seoul Korean Residents Union of Japan (Mindan) and the Pro-Pyongyang General Association of Koreans in Japan (Chongryun) reached the agreement in a meeting at the headquarters of the Chongryun in Tokyo. It is the first time the officials of the two rival Korean residents groups have had such talks.

Mindan said it will positively consider Chongryun's proposal that representatives of both organizations attend the rally together.

A dissident group in South Korea called for a pan-Korean rally slated for AUgust 13-15 and North Korea plans to participate in the rally along with overseas Koreans.

South Korean authorities earlier opposed the rally at Panmumjom but later changed their policy and approved it.

Chongryun proposed to Mindan on July 17 that representatives of both organizations participate in the rally and an a liaison organization be established to make contact.

Mindan officials replied Wednesday, "(We) will accept affirmatively the joint participation." Mindan proposed a visit to Seoul by a Chongryun delegation, a visit to Pyongyang by a Mindan mission, and a joint participation in the Beijing Asian Games in September.

Ministry 'Cool' on GATT View of Rice Market

OW0208130090 Tokyo KYODO in English 1143 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—The Agriculture, Forestry, and Fisheries Ministry has been apparently cool in its reception of criticism by the world trade watchdog GATT that Japan too rigidly protects its agricultural markets, especially that of rice.

Ministry officials said Thursday the criticism, contained in a report by the General Agreement on Tariffs and Trade (GATT), is not intended to pressure Japan to lift its rice import ban. The report, prepared by the GATT Secretariat and released earlier in the day, said that despite tangible progress Japan has made in improving access to its markets, "a hard core of high protection has remained, covering a broad range of agricultural products—rice being the most deep-rooted example—and several industrial products."

"Changes in import policies in these areas could clearly promote structural adjustment in the Japanese economy and substantially reduce costs to Japanese consumers," it said, implying that Japan should liberalize its rice market. The report noted that Japan's policy of self-sufficiency in rice costs its consumers dear, saying that in

1989 the government purchase price of rice was 6.6 times higher than the corresponding target price in the United States.

The price gap, calculated by the U.S. in terms of tariffs, translates into a 700 percent tariff.

The ministry, however, seemed hardly moved by the fact. "It is nothing new ... the data is not intended as a judgment," a ministry official said.

But ministry sources said that, nevertheless, the ministry has grown sensitive to foreign criticism at its rice policy amid worldwide moves toward reforms in farm subsidies at the four-year Uruguay Round of multilateral trade liberalization talks.

Muto Says Views Vary Over Rice Imports Ban

OW0208141090 Tokyo KYODO in English 1303 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—International Trade and Industry Minister Kabun Muto said Thursday that opinions in Japan vary concerning its ban on rice imports, which is a source of criticism from rice-producing nations.

Asked about his stance toward the issue, Muto said, "there are so many different opinions in Japan over the issue that the rest of the world must be wondering what Japan's real view is." He added, "I am not quite sure whether the Diet should allow such a situation to continue for long. If the Diet intends to stick to its resolution not to open the Japanese rice market, we will have our work cut out for us about how to avoid Japan's isolation in the Urguay Round (of multilateral trade talks)." Muto made the remarks during a press conference on his return from a four-day trip to Singapore to attend the Asia-Pacific Economic Cooperation (APEC) conference.

Budget Leaves Over 300 Billion Yen in Surplus

OW3107145090 Tokyo KYODO in English 1320 GMT 31 Jul 90

[Text] Tokyo, July 31 KYODO—The Finance Ministry reported Tuesday the fiscal 1989 budget's general account resulted in a net surplus of 312.1 billion yen, down sharply from more than 1 trillion yen in each of the previous three years. Ministry officials desribed the surplus for fiscal 1989, ended March 31, as average. They blamed the decline on sluggish growth in tax revenue.

The finance act requires more than half of the net surplus to be included in the national debt consolidation fund, which is used as a financial resource for redemption of maturing government bonds.

Tax revenue in fiscal 1989 exceeded a revised estimate late last year by 694.8 billion yen. The excess fell short of 1 trillion yen for the first time in four years as corporate tax revenue slowed down, the officials said.

The ministry said revenue in the fiscal 1989 general account budget totaled 67,247.8 billion yen, while expenditures amounted to 65,858.9 billion yen. Out of the resultant 1,388.9 yen gross surplus, subsidies to local governments and other expenses were deducted to produce the net surplus.

Revenue of direct taxes accounted for 74.2 percent of the total tax revenue in the general account budget for fiscal 1989, a record high in percentage terms after World War II, exceeding the previous record ratio of 73.9 percent in fiscal 1974, the ministry said.

The ministry also said the fiscal 1989 budget depended on borrowing through government bond offerings for 10.1 percent of its total revenue.

LDP's Ozawa Proposes Trade Negotiation Body

OW0108142390 Tokyo KYODO in English 1400 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 KYODO—Japan should create a trade negotiation body like the office of the United States Trade Representative (USTR) under the prime minister to overcome sectionalism among ministries, Liberal Democratic Party [LDP] Secretary General Ichiro Ozawa said Wednesday.

Ozawa, speaking on the rice market issue in a recorded interview for a Japanese commercial television network, pointed to the problem of segmentation among government ministries in Japan's trade negotiations with foreign countries. "We should strengthen the function of the prime minister's office and set up a substantial government agency in charge of trade affairs, like the USTR," Ozawa said.

On the controversial rice market problem, Ozawa reiterated Japan's policy of maintaining self-sufficiency in rice. He cited LDP election campaign promises made during the general election for the House of Representatives in February, and said opening the rice market would have a serious "mental impact" on the purely rural areas of Japan. Rural populations are one of the LDP's most important sources of votes.

While Ozawa did not rule out the possibility of discussion on market opening by saying "we cannot argue rice is something holy and untouchable," he said it is still too early for such discussion. "Everybody's feelings on the issue have to become less strong," he said.

Turning to Japan-Soviet relations, Ozawa, ranked second in the LDP after Prime Minister Toshiki Kaifu, said there would be little progress unless President Mikhail Gorbachev's leadership becomes more stable.

Number of Large Retail Stores Planned Doubles

OW0208125890 Tokyo KYODO in English 1215 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—The number of Japanese retailers that have told the government they plan to open large stores has nearly doubled since the law restricting the opening of such stores was eased, the Ministry of International Trade and Industry (MITI) reported Thursday. A total of 151 plans to open large-sized retail stores were reported to MITI between May 30 and June 30, or at an annual pace of 1,800, almost double the number in former years, MITI officials said.

MITI took a set of measures to make it easier to open large stores on May 30, including shortening the period for coordination with the local commercial community to 18 months, as a follow-up to Japan's pledge in the Structural Impediments Initiative (SII) talks with the U.S.

The Thursday report confirmed the sharp increase in plans to open large-sized outlets, which is regulated by the Large-Scale Retail Stores Law. Formerly, the process of obtaining permission for such projects took as long as 10 years.

MITI issued official notification on May 30, requiring that such a process should not be extended beyond 18 months after a plan is reported to the ministry.

During the same period, there were 91 cases of notifications to MITI about the construction of outlets, which compared with the monthly average of 66 in fiscal 1989, MITI officials said. "The trend has apparently continued after the first month," a MITI official said.

MITI has already started work to revise the law to further loosen the legal grip on the activities of large-sized retailers, and is expected to come up with ideas by the end of the year.

Mongolia

Baker Arrives in Ulaanbaatar, Meets Officials

OW0208131890 Ulaanbaatar International Service in English 1200 GMT 2 Aug 90

[Text] U.S. Secretary of State James Baker arrived in Ulaanbaatar today, on 2 August, on an official visit at the invitation of the Mongolian Government. He has met with Chairman of the Presidium of the People's Great Hural of Mongolia Punsalmaagiyn Ochirbat, Chairman of the Council of Ministers Gungaadorj, and Chairman of the ruling MPRP [Mongolian People's Revolutionary Party] Central Committee Gombojabyn Ochirbat.

U.S. State Secretary has also held talks with Mongolian Foreign Minister Gombosuren. Both men signed a consular convention and an agreement on sending to Mongolia volunteers from the American Peace Corps. Mr. Baker has assisted the national three manly games [horse riding, archery, wrestling].

In the evening, Mongolian Foreign Minister Gombosuren and Mrs. (Surenparpa) hosted a reception in the honor of the U.S. state secretary and Mrs. Baker.

The U.S. state guest is expected to meet with leaders of the opposition, and a press conference is expected after the talks.

UNEN Article Views Visit

OW0208154290 Ulaanbaatar International Service in English 1200 GMT 2 Aug 90

[Text] The daily UNEN publishes an article by president of the Mongol-U.S. society, Mr. (?Namsrol), who writes that Mongolia attaches an important significance on the visit of U.S. Secretary of State James Baker to Mongolia to the development of Mongol-U.S. ties. Mr. (?Namsrol) notes that the Mongol-U.S. Society's membership numbers in several thousands, including a number of organizations and (?friends).

Recently, a branch of the society has been set up in Erdenet City, writes Mr. (?Namsrol).

MDP, MDU View Elections, Coalition Prospects

OW0208231090 Ulaanbaatar International Service in English 1200 GMT 2 Aug 90

[Text] Leader of the Mongolian Democratic Party [MDP] Batuul, speaking at a press conference in Ulaanbaatar, said that the party has every reason to consider the recent general elections as successful for the party. He informed that according to preliminary outcome of the elections, the Mongolian Democratic Party and the Mongolian Democratic Union [MDU] have got 30 seats in the People's Great Hural, including 26 members of the Mongolian Democratic Party and four members of the Mongolian People's Revolutionary Party [MPRP] who had been nominated from the MDP. Six candidates from the MDP remain in these constituencies where reelection will be held.

Besides, eight out of 20 [words indistinct] to the People's Great Hural are members of the Mongolian Democratic Union.

(?And) quoting from preliminary returns of the poll and support rate of political parties, the Mongolian Democratic Party has got 12 seats in the state's Small Hural, said Batuul.

Leader of the Mongolian Democratic Union Mr. Dzorig, who also took part in the press conference, said that the activity of the coalition of democratic forces of Mongolia, which have been formed to jointly participate in the elections, has given certain results.

Alongside this, the new forces lacked experience in utilization of all possibilities of the coalition, noted Dzorig.

Mr. Batuul and Mr. Dzorig did not exclude the possibility of the Mongolian Democratic Union and the Mongolian Democratic Party's participation in a new coalition government, provided its program was acceptable to all parts.

Council of Ministers Head, Buddhist Leader Meet

OW0208141590 Ulaanbaatar International Service in English 1200 GMT 2 Aug 90

[Text] Chairman of the Mongolian Council of Ministers has met with head of Mongolian Buddhists (Hamdam Bagurdorj) to exchange views on the question of religion. (Hamdam Bagurdorj) expressed his gratitude on behalf of the All-Mongolian Believers for the government policy on providing religious rights of believers, granting the possibility of free work to Mongolian Buddhist monasteries, restoration of religion and culture.

Mongolian prime minister said there should be founded a religious center for coordinating of religious activity of Buddhist monasteries in Mongolia.

North Korea

Committee for Yim Release Asks To Visit South

SK0208111090 Pyongyang KCNA in English 1050 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—The Korean Committee for the Release of Yim Su-kyong called a press conference for home and foreign reporters here today.

At the conference Yo Yon-ku, chairman of the Korean Committee for the Release of Yim Su-kyong, made public a letter dated August 1 to the South Korean "president", No Tae-u.

Coed Yim Su-kyong who participated in the 13th World Festival of Youth and Students held in Pyongyang as the delegate of the National Council of [University] Student Representatives (Chondaehyop) to add significance to the festival and demonstrate our nation's will for reunification was arrested and put into a solitary cell when she passed through Panmunjom on August 15 last year, the letter dated August 1 says, and continues:

She came to the northern half of the country where fellow countrymen live and said our country is one and it must be reunified. What kind of crime is it and why should she be tried and punished and should undergo such distress?

It makes our hearts bleed to hear that she who was transferred recently to the Chongju Women's Prison hundreds of ri South of Seoul is subjected to worse mental and physical sufferings, denied diagnosis and medical treatment of her muscle pain and chronic gastroenteric disorder, secluded from the loving care of her parents and fellow students.

Reunification is said to be patriotism. No one sympathizes with the people who penalize a young woman student for her patriotism, for her wish to live in a reunified country.

I believe that you must have heard voices lifted up in the North, the South and abroad opposing the harsh penalty upon Yim Su-kyong and demanding her release.

We also believe you must know the fact that voices of conscience demanding her release and expressing sympathy with her are growing louder in different parts of the world.

But, Yim Su-kyong is still behind bars, suffering in prison with her trial not finished in one whole year.

Although she is in prison, the wish and desire of the nation to make free travel between the North and the South of its own country and own territory, pull down the barrier of division and open the door of reunification is now pulsating through the 3,000-ri land.

In this current towards reunification we can not remain an onlooker so long as Yim Su-kyong kept in prison in a distant place.

Our Korean Committee of Struggle for the Release of Yim Su-kyong decided to go to the Chongju Women's Prison and meet and console her on the occasion of the August 15, the first anniversary of her return to South Korea through Panmunjom. It is our natural obligation, I think, to pay a visit of kind inquiry to her, soothe her aching heart and share pent-up inmost thoughts with her who is suffering in jail for the mere reason she went back through Panmunjom at the time when representatives of compatriots of various strata from the North, the South and overseas are going to get together and hold a grand national festivity of reunification on August 15.

Our consolatory team is going to meet and console not only Yim Su-kyong but also Father Mun Kyu-hyon and meet and express warm sympathy with their parents and brothers and sisters in South Korea and, at the same time, Rev. [Reverend] Mun Ik- hwan and his family.

It will consist of members of our organization including me, its chairwoman, members of the Korean students committee, students who became intimate with Yim Su-kyong and personages of different social strata and will be accompanied by a certain number of journalists.

We think it suitable for us to stay there five days and four nights from August 14.

We think that there is no reason for your authorities to refuse to accept our decision to dispatch our committee's consolatory team either in a humanitarian point of view or in view of your "special announcement" dated July 20.

I expect your positive measure as to our compatriotic request.

More on N-S Conflict Over Pan-National Rally

South Delegation Abroad Decried

SK0308083390 Pyongyang Domestic Service in Korean 0026 GMT 3 Aug 90

[NODONG SINMUN 3 August commentary: "A Splittist Act That Runs Counter to Reunification"]

[Text] Today the South Korean authorities are running amok with trips for the two Koreas by taking the nation's domestic affairs to those on the outside, instead of conducting dialogue for reunification.

As is known, the South Korean puppets on 1 August sent a so- called government delegation to the outside to discuss issues of establishing diplomatic relations, expanding economic cooperation, and so forth. This is indeed a disgraceful act evoking indignation in all the people.

The two sides of the North and the South have a month ahead of them to hold disarmament talks for removing the status of political and military confrontation between the North and the South and for realizing multifaceted cooperation and exchanges. In a few days, the third round of preliminary contacts for the Pan-National Rally will be held in Pyongyang and the curtain will rise on the Pan-National Rally in Panmunjom on 15 August as a great national festival for reunification, for the first time since the nation's division.

All fellow countrymen in the North and the South ardently hope that the North-South High-Level Talks and the Pan-National Rally will be successfully held in compliance with the people's ardent aspiration for reunification, and that these events will be linked to the realization of free travel and full-scale opening by abolishing the barriers of division and to achievement of national unity and reunification.

At this very time, the South Korean authorities are making junkets, carrying their baggage called two Koreas, ignoring the people's aspirations for reunification. No one would say that their acts show a sincere attitude for holding dialogue for national reunification.

At present, nothing is more important and urgent for the North and the South than to resolve the issue of the nation's reunification by ending the nation's division. This can be resolved only through dialogue and negotiations between the North and the South.

This notwithstanding, the South Korean authorities are carrying this baggage for establishment of diplomatic relations to perpetuate division of two Koreas, instead of striving to hold important North- South dialogue. We must consider this an impure act designed to create artificial obstacles to the upcoming North-South High-Level Talks.

Up front, they talk about discussion of issues on removing the status of confrontation between the North and the South at the high- level talks and on realizing multifaceted exchanges and cooperation, but in the rear, they are busily going around with a plot for permanent division. This is an immoral act as the partner of dialogue, lacking faith.

If the South Korean authorities have true intentions, even a slight bit, to resolve the issue of peace and peaceful reunification of the nation through high-level talks, they would not have acted with such indiscretion.

They are babbling about North-South dialogue and resolution of the reunification issue while perpetrating antinational and antireunification acts to legalize and perpetuate the nation's division. This is not reasonable, but is an act of totally denying dialogue and reunification themselves.

All facts show that although the South Korean authorities pay lip service to reunification, they are, in actuality, pursuing confrontation and division as in the past.

If they want to stand in confrontation to the North and the South and to live separately, there is no need for them to sit with us, and the North-South High-Level Talks, even if they are held, would be meaningless.

One cannot think of the act of the South Korean authorities without their maneuvers to frustrate the 15 August Pan-National Rally. They are perpetrating various maneuvers in an attempt to frustrate the rally by infiltrating anticommunist, antireunification government-patronized forces into the pannational rally on the pretext of all walks of life.

This clearly shows that they are, in actuality, opposed to dialogue between the authorities and even to dialogue between independent civilians and that from the outset, they have no intention of resolving the reunification issue through dialogue.

Our people will never tolerate the antidialogue, antireunification acts of the South Korean authorities, who are merely pursuing the permanent division of the nation, instead of reunification, and the establishment of diplomatic relations for two Koreas, instead of dialogue for reunification.

This is not the seventies and eighties, when the South Korean ruling bunch ridiculed the nation with the reunification issue. Reunifying the nation, which was divided artificially by outside forces, is the trend of history which no one can block any longer.

The people's will for reunification cannot be checked by anything and the grand march of our people to reunification cannot be blocked by any force. Whether the splittists at home and abroad want it or not, all the Korean people in the North and the South will achieve the historic cause of national reunification with united strength without fail by demolishing the barriers of division.

The South Korean authorities should look straight at the trend of times and act with discretion. They should discard the anachronistic two Koreas policy and join the grand march of the people for reunification. If they continue to cling to maneuvers for division, running counter to the demand of the times and the people's aspiration for reunification, they should be held totally responsible for all consequences arising from this.

Pyongyang Readies for Delegates

SK0308043590 Pyongyang KCNA in English 0421 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—Arrangements are going on briskly to greet and welcome as envoys of reunification the delegates from South Korea and abroad to the third preliminary contact for the preparation of the Pan-National Rally to be held here amid great expectations and interest of the entire fellow countrymen.

Hung out in the city are placards and slogan boards reading "Warm welcome to the delegates from South Korea and abroad to the third preliminary contact for the preparation of the Pan-National Rally!" And "Korea is one!" The whole city is being decorated in festive attire to greet the delegates from South Korea and abroad with warm compatriotic feelings.

According to a spokesman of the north side's preparatory committee for the Pan-National Rally, the venue of the third preliminary contact has been arranged successfully, and the boarding place for the delegates from South Korea and abroad has been appointed.

When the delegates of the South side enter the northern portion of Panmunjom through the barrier of division across the demarcation line, leading members of the North side's preparatory committee, relatives of the Rev. [Reverend] Mun Ik- hwan, young men and women and students who spent days with coed Yim Su-kyong for more than 40 days around the Pyongyang festival, and separated families who have their kith and kin in South Korea will warmly meet them with kindred feelings.

The delegates of the South side will receive enthusiastic welcome from a large number of citizens of Kaesong, the city adjacent to the demarcation line, and from hundreds of thousands of citizens in Pyongyang.

Pyongyangites will carry the delegates of the South side coming with the desire of fellow countrymen of the South for reunification in a "reunification car" decorated with flowers and let them go to and from the boardings and the meeting place under the shower of confetti.

South Institute Head Comments

SK0308043790 Pyongyang KCNA in English 0430 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—Cho Song-u, director of the South Korean Peace Institute, said the greatest significance of the Pan-National Rally "lies in removing the structure of military confrontation and military tension from the Korean peninsula and settling a structure of peace there and accelerating its peaceful reunification."

In an interview with the newspaper CHUNGANG ILBO, he said Korea stands now at a crossroads of peace and reunification or more acute confrontation and antagonism and permanent division.

The Pan-National Rally will be held successfully without fail as all the people in North and South feel the necessity of dialogue, he stressed.

The authorities, he said, quite unexpectedly talk as if they would "permit civilian exchanges." But, underlying this are the facts that "propagandizing 'nordpolitik' while detaining those who had visited the north including the Rev. [Reverend] Mun Ik-hwan and woman student Yim Su-Kyong has become a laughing stock on the international scene" and that "the present 'regime' has been driven into a position of passive defence due to the resignation en bloc of the opposition assemblymen."

Cho Song-u had already pressed home the necessity of holding the Pan-National Rally, listed as a member of the South side's delegation to the second preliminary contact for the preparation of the rally and had been jailed several times.

Youth Head Denounces South

SK0308045390 Pyongyang KCNA in English 0440 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK], in his press statement on August 2 denounced the "principle of participation by people of all strata" set out by the South Korean authorities as a precondition to their approval of visit to Pyongyang by delegates of the "coalition for national democratic movement" [National Democratic Alliance of South Korea] (Chonminnyon) to the third preliminary contact as a virtual obstructive move to foil the Pan-National Rally.

When the delegation of our side to the second preliminary contact was going to Seoul our LSWYK members, youth and students wanted it to convey our militant greetings to the members of the "National Council of

[University] Student Representatives" (Chondaehyop) and to all the patriotic youth and students of South Korea and the unanimous desire and aspirations of the younger generations to live in peace in a reunified country, he said, and stated:

While talking about "grand inter-Korean exchanges of people" and the like the South Korean authorities barred our side's delegation from visiting Seoul, making it plain that it was a deception to mislead public opinion at home and abroad and they, in actuality, oppose free contact and travel.

If the South Korean authorities block to the last moment the Pyongyang visit of the South side's delegation for the preparation of the Pan-National Rally, the delegation which hopes to come to Pyongyang to participate in the third preliminary contact, they would meet with accusation from all the fellow countrymen who aspire after reunification.

No Tae-u Group Attempts 'Foil'

SK0308052790 Pyongyang KCNA in English 0454 GMT 3 Aug 90

["High-Handed Outcry of Traitor"—KCNA headline]

[Text] Pyongyang August 3 (KCNA)—The traitor No Tae-u dared to urge the North Thursday to "accept without any conditions" his July 20 "proposal for a grand inter-Korean exchange of people," according to a report.

This is nothing but high-handed words of a traitor who is dead set against the reunification dialogue and tries hard to foil it in every way.

It was the No Tae-u group who raised such ridiculous "conditions" as "escorts," "lodging place" and "venues," elbowing aside Chonminnyon, the initiator of the Pan- National Rally and the inviter of our side, and blocked the North side's delegation from entering the South to participate in the second preliminary contact for the preparation of the rally held in Seoul. It is also the No Tae-u group who are blocking the South side's delegates from participating in the third preliminary contact to be held in Pyongyang, raising as "conditions" the participation of ultra-rightist anti-communist bogus organizations disguised as "all social strata" and are desperately trying to foil the rally in the long run.

The No Tae-u military fascist group, who have raised numerous "conditions" to block the non-governmental dialogue between the North and the South, intend to put down Chonminnyon on "charges of violation of the National Security Law," branding it as a "pro-North dissident organization."

Such fellows dared to urge the North to "accept" their "proposal" without "any condition." This is an argument of a brazen-faced villain.

The No Tae-u group must stop talking preposterous words and give up the anti-national acts opposed to the Pan- National Rally and the third preliminary contact soon-to-be- held in Pyongyang.

South 'Peddling' Relations

SK0308054490 Pyongyang KCNA in English 0513 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—The South Korean puppets sent a "government" delegation abroad on August 1 to "discuss" the "question of diplomatic relations" and a "proposal to expand economic cooperation". Commenting on this, NODONG SINMUN today charges that this is a splittist act going against the desire for reunification.

The news analyst says:

The puppets are peddling the ware of "diplomatic ties" aimed at permanent division of Korea at a time when all the fellow countrymen in the North and the South are longing for a successful convocation of North-South High-Level Talks and Pan-National Rally. No one can regard this as a sincere stand toward dialogue between fellow countrymen for reunification.

The South Korean puppets are talking about North-South dialogue and the settlement of the reunification question, while engaging themselves in anti-national and anti- reunification schemes to legalise the division of the country and perpetuate it. This does not stand to reason but is a total denial of dialogue and reunification themselves.

He stresses:

Our nation can never tolerate the anti-dialogue, anti-reunification act of the South Korean authorities who are seeking "diplomatic ties" for the division of the country, not its reunification.

If they want North-South confrontation and continued separation as they do now, there is no need for them to sit at one table with us and North-South High-Level Talks itself will be of no use.

The entire Korean people in the North and the South will pull down the barrier of division by their united efforts and accomplish the historical cause of national reunification, whether the splittists at home and abroad like it or not.

The South Korean authorities must look squarely at the trend of the times, act with discretion, renounce the anachronistic policy of "two Koreas" and join in the grand march of the nation for reunification. If they persistently resort to the scheme for division while going against the demand of the times and the desire of the nation for reunification, they will be held entirely responsible for all the consequences arising therefrom.

'Ulterior Intention' Criticized

SK0308102190 Pyongyang KCNA in English 1008 GMT 3 Aug 90

["Criminal Scheme To Frustrate Pan-National Rally"—KCNA headline]

[Text] Pyongyang August 3 (KCNA)—The South Korean puppet unification minister told a press conference Thursday that the Coalition for National Democratic Movement (Chonminnyon) would be allowed to participate in the third preliminary contact for the Pan-National Rally slated in Pyongyang on August 6 on condition that "people of various social strata participate in the contact together with it, and this principle will be applied to the August 15 Pan-National Rally, too, according to a report.

He also said Chonminnyon will be allowed to take part in the rally in case it is held in Pyongyang, not in Panmunjom.

His remarks revealed the ulterior intention of the South Korean puppet clique to block the way of Chonminnyon to the North and frustrate the Pan-National Rally.

The South Korean puppet clique are trying to thrust government-controlled organizations and rightist gangsters, the old hands at the anti-communist, anti-reunification and anti-DPRK campaign, into the rally under the motto of "various strata" so as to raise a rumpus and foil the nation's jubilee for reunification.

The South Korean puppet clique's call for change of the venue of the rally from Panmunjom to Pyongyang is a petty trick to throw the rally into a confusion.

Both Panmunjom and Pyongyang are our land.

The attitude towards the convocation of the Pan-National Rally is a touchstone that distinguishes between the stand of reunification and the stand of division.

African Solidarity Group Supports Reunification

SK0208103890 Pyongyang KCNA in English 1018 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—An African regional solidarity meeting for supporting Korea's reunification was held in Ougadougou, capital of Burkina Faso at which Madirisha Juvenal, secretary general of the African Regional Committee for Friendship and Solidarity with the Korean People, made a report.

In his report Madirisha Juvenal said that the proposal to found the democratic confederal republic of Koryo advanced by the great leader President Kim Il-song is based on the three principles of independence, peaceful reunification and great national unity, a reunification program jointly agreed upon and declared home and abroad by the North and the South of Korea.

For its justness and feasibility the proposal enjoys positive support of the world's progressive people as well as the Korean people, the reporter said, and stressed:the signature campaign supporting this proposal was joined by more than 1.6 billion people including heads of parties, states and governments from some 100 countries and scores of international organizations.

He further said:

The South Korean authorities are trying to legitimate the division of Korea internationally through "cross recognition" and "unilateral entry into UN," taking advantage of the "two Koreas" policy of the United States.

They, far from accepting the new reunification proposal of the DPRK Government, are creating artificial difficulties in the way of reunification by cooking up intrigues of every description for an extensive anti-DPRK campaign and even refusing to admit the existence of the concrete wall confirmed by the world.

They, crying for "unified channel of dialogue", are barring multi-channelled dialogue between the North and the South and free contact and travel of people of all walks of life, and incriminating and punishing patriotic students and democrats including Rev. [Reverend] Mun Ik-hwan and coed Yim Su-kyong who did things favourable to reunification.

All these facts show that their clamourous "opening" and "reunification" are a deceptive trick to cover up their anti-reunification nature.

The new five-point policy for national reunification advanced by the great leader President Kim Il-song in his policy speech is a most fair and reasonable reunification policy which helps ease the tension prevailing on the Korean peninsula and accelerate the independent and peaceful reunification of Korea.

We should regard the Korean people's cause of national reunification as our own and conduct more vigorous solidarity movements for accelerating the independent and peaceful reunification of Korea.

Firstly, the friendship and solidarity organizations in Africa should widely propagandize the policies and proposals of respected President Kim Il-song for the independent and peaceful reunification of Korea including the proposal for founding the democratic confederal republic of Koryo and launch dynamic movements supporting them.

Secondly, we should conduct extensive international movements to press the United States and the South Korean authorities to immediately renounce the "two Koreas" policy and war provocation moves and withdraw the U.S. forces and nuclear weapons from South Korea.

We will put international pressure on the United States and the South Korean authorities to come out at an early date to talks to sign a peace agreement between the

DPRK and the United States and adopt a non-aggression declaration between the North and South of Korea and will build up world public opinion so that the South Korean authorities may pull down the concrete wall and respond to the proposal for realising free travel and full-scale opening between the North and the South.

The African countries which love justice and peace should heighten vigilance against the "two Koreas" plot aimed at perpetuating the division of Korea and unanimously reject it.

Thirdly, the friendship and solidarity organizations and people in Africa should further strengthen solidarity with the just struggle of the South Korean people for independence, democracy and reunification.

Fourthly, the friendship and solidarity organizations should be expanded and strengthened to further develop the movements for friendship and solidarity with the Korean people.

We, together with the world's progressive people, will further strengthen solidarity with the Korean people and thus actively contribute to making the 1990s a historical decade of Korea's reunification.

U.S., ROK Conduct 'Aerial War Games'

SK0308050790 Pyongyang KCNA in English 0444 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—The U.S. imperialists brought into South Korea formations of nuclear-capable F-16 fighter-bombers from their overseas bases on July 29 and 30 to frantically stage aerial war games simulating a surprise attack on targets in the strategical depths of the northern half of Korea, according to military sources.

On July 28 and 31, they also sent formations of assault and pursuit-assault planes including A-6 and FA-18 to South Korea from the Iwakuni Base in Japan and Pacific bases, letting them fly in a joint strike exercise simulating an attack on the North in coordination with formations of fighter-bombers, assault planes and airborn warning and control planes belonging to the U.S. Seventh Airforce and the puppet Airforce.

The number of planes mobilized in war exercises of various kinds in the sky above South Korea on July 31 alone totalled more than 500.

The South Korean puppets mobilized C-130 transport planes in a frenzied parachuting exercise on July 30 and 31 with the aim of increasing their real warring capacity to infiltrate their commando units into the depths of the northern half of Korea in the "event of contingency."

Facts fully show how desperately the U.S. imperialists and the South Korean puppets are trying to gratify their ambition for northward invasion, seeking only confrontation and division.

KCNA Deplores U.S. Arms Supply to South

SK0308054590 Pyongyang KCNA in English 0520 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—The Bush administration is planning to transfer 120 latest-type F 18 fighter planes to the South Korean puppets.

The U.S. imperialists are bringing a large number of submarines and tanks into South Korea to equip the puppet Army, and West Germany and Britain, at the instigation of the U.S. imperialists, made contracts with South Korea on the sale of 50 and 20 fighter planes respectively. And some countries transferred submarines to it.

Thus the U.S. imperialists' supply of arms to the South Korean puppets is being feverishly stepped up at a very grave stage, says NODONG SINMUN today in a bylined commentary.

All this is an open challenge to our repeated disarmament and peace proposals and an unpardonable criminal act of egging the puppets on to anti-peace and anti-reunification acts, the paper stresses, and goes on:

It is a clear proof that the U.S. imperialists continue intensifying their war moves behind the curtain of "disarmament" and "detente".

The supply of modern combat equipment to South Korea is a product of the U.S. imperialists' crafty schemes to make Koreans fight each other and a criminal move to execute their aggressive Asia-Pacific strategy.

The South Korean puppets, with the backing and support of the U.S. imperialists, are getting over-heated in war rackets against the North and putting down the growing desire of the South Korean people for reunification.

The paper urges the U.S. imperialists unconditionally to stop their war and confrontation plot and get out of South Korea at once, taking along nuclear weapons and aggression forces.

Kim Il-song Meets With West German Writer

SK0208111590 Pyongyang KCNA in English 1101 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—The great leader President Kim Il-song today received visiting woman writer of West Germany Ruise Rinser.

On hand was Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea.

Prssident Kim Il-song had a cordial and friendly conversation with the guest.

President Kim Il-song was presented with a gift by the guest.

Cuban Ambassador to DPRK Hosts Reception

SK0308051590 Pyongyang KCNA in English 0450 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—Cuban Ambassador to Korea Juan Jose Leon Vega arranged a reception Thursday evening at his embassy on "month of solidarity with the Cuban people" and the Korean visit of the delegation of the Communist Party of Cuba [CPC].

Present at the reception on invitation were Kang Hui-won, alternate member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and vice-premier of the Administration Council, Kim Yong-sun, secretary of the WPK Central Committee, Chong Song-nam, minister of external economic affairs and chairman of the Korea-Cuba Solidarity Committee, Kim Hyong-u, vice-director of a department of the WPK Central Committee, and other officials concerned.

Present there were the delegation of the Communist Party of Cuba led by Jesus Montane Oropesa, member of the CPC Central Committee, political advisor to the first secretary of the party Central Committee and chairman of the Cuban Committee for Supporting Korea's Reunification, and Raul Valdes Vivo, member of the CPC Central Committee and director of the Nico Lopez Higher Party School, and his party.

Speeches were made at the reception by Ambassador Juan Jose Leon Vega and Chong Chun-Ki, chairman of the Committee for Cultural Relations with Foreign Countries.

Envoy Attends Peruvian Presidential Inauguration

SK0308032590 Pyongyang Domestic Service in Korean 1330 GMT 31 Jul 90

[Text] According to a report from Lima, the inaugural ceremony of the president of the Republic was held in Peru on 28 July. Song Ho-kyong, vice foreign minister and special envoy of the DPRK Government, delegations and special envoys from many countries and regions, and the delegates of international organizations were invited.

President Alberto Fujimori, in his inaugural speech, vowed to struggle against corruption and push ahead with economic reconstruction. He said he will treat the poor more fairly and organize an anticorruption committee.

Touching on the issue of foreign debt, he said that the legislative bills for stabilizing the national economy will be submitted immediately.

Visits Peruvian President

SK0308032790 Pyongyang Domestic Service in Korean 1300 GMT 31 Jul 90

[Text] Song Ho-kyong, vice foreign minister, who is the special envoy of the DPRK Government participating in the inaugural ceremony of Peruvian President Alberto Fujimori, on 28 July paid a courtesy call on Fujimori.

At this meeting, the special envoy conveyed greetings from the great leader Comrade Kim Il-song and the dear Comrade Kim Chong-il to President Alberto Fujimori. The president expressed deep gratitude for this and requested the special envoy to convey his wholehearted greetings to the great leader Comrade Kim Il-song and the dear Comrade Kim Chong-il.

At the meeting, they conversed in a friendly atmosphere. The DPRK ambassador to Peru attended.

Meets Argentine President

SK0308035790 Pyongyang Domestic Service in Korean 1300 GMT 31 Jul 90

[Text] Argentine President Carlos Menem on 28 July met Song Ho-kyong, vice foreign minister and special envoy of the DPRK Government participating in the Peruvian President's inaugural ceremony. At the meeting, the special envoy conveyed the greetings from the great leader Comrade Kim Il-song to President Carlos Menem. The president expressed deep gratitude for this and requested the special envoy to convey his wholehearted greetings to the great leader Comrade Kim Il-song. A conversation was held in a friendly atmosphere at the meeting.

Military Delegation Leaves for Zimbabwe Visit

SK0208111790 Pyongyang KCNA in English 1106 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—A Korean military delegation led by Gen. [General] Kim Pong-yul of the Korean People's Army [KPA] left here today for a visit to Zimbabwe.

It was seen off at the airport by Gen. Kim Kwang-chin, other generals and officers of the KPA.

Kim Il-song Greets Burkina Faso on Anniversary

SK0308103090 Pyongyang KCNA in English 1021 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Blaise Compaore, chairman of the People's Front of Burkina Faso and head of state and government, on the occasion of the 7th anniversary of the victory of the revolution in Burkina Faso.

The message notes that the Korean people rejoice over the great achievements gained by the Burkina people in the work to strengthen national unity and build an independent and prosperous national economy under the correct guidance of the people's front headed by Blaise Compaore.

Expressing the belief that the excellent relations of friendship and cooperation between the two countries will grow stronger and develop, it wishes him new success in the work to build a democratic, progressive, new society.

Kim Yong-nam Meets With ICAO Delegation

SK0308104990 Pyongyang KCNA in English 1036 GMT 3 Aug 90

[Text] Pyongyang August 3 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam today met and had a friendly conversation with the delegation of the International Civil Aviation Organization (ICAO) led by Assad Kotaite, chairman of the council of the organization.

Present there were Kim Yo-ung, director of the Civil Aviation Administration of Korea, and Henning Karcher, representative of the United Nations Development Programme (UNDP) here.

Laser, Atomic Technology Introduced Into Economy

SK0208220990 Pyongyang KCNA in English 1502 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—Last five years have seen the introduction of more than 300,000 technical innovation proposals in various domains of the national economy in Korea.

In this period, the number of inventions has risen 1.9 times, Korean scientists and technicians receiving as many as 220 medals at the international exhibition of inventions and new techniques and other worldwide scientific and technical symposiums.

Those in the metal industry succeeded in contriving a new method of iron production and solved scientific and technical problems arising in titanium smelting, the production of stainless steel and in the process of steel making by ultrahigh-voltage power.

Those in machine building have laid technical foundations to produce uptodate machine tools including numerical control lathe and they produced 1,400 robots and developed electronic automation elements, devises and integrated circuit.

Korea is also developing new spheres of sciences and technologies.

It has developed cell and gene engineerings, superhigh-tension and ultra-cryogenics such as the raising of a new strain, ultrahigh-tension equipment and development of laser-generating devices. And it has solved a lot of scientific and technological problems to develop laser and plasma technologies and atomic and solar energies and introduce them into the national economy.

Success was also reported in the researches to place technical processes of production, production methods and management on a new scientific basis. All this has been made since dear Comrade Kim Chong-il in his historical work "On Further Developing Science and Technology" on August 3, 1985, set forth programmatic tasks to develop science and technology in keeping with the development of the reality and ways of implementing them.

South Korea

Kang Yong-hun Discusses Unification Policy

SK0308011390 Seoul YONHAP in English 0102 GMT 3 Aug 90

[Text] Seoul, Aug. 3 (YONHAP)—Vast differences exist between the division of Germany and the division of Korea, requiring different approaches to unification, South Korean Prime Minister Kang Yong-hun said Thursday.

The premier noted in a cabinet meeting that South and North Korea, unlike East and West Germany, fought a vicious fratricidal war and have hostile relations, while inter-German exchanges have been taking place for more than 20 years. He said cabinet ministers should take the lead in ensuring the South Korean people understand these differences and do not expect quick developments.

It is annoying that dissident groups and radical students, despite the government's efforts for solid progress in inter-Korean relations, sympathize with the North Korean Communists, who use South-North reunification talks for propaganda.

Government officials, regardless of their posts, should clarify government policy on national reunification and prevent internal strife, Kang said.

Priests' Group To Ask To Meet North Officials

SK0208121690 Seoul YONHAP in English 1152 GMT 2 Aug 90

[Text] Seoul, August 2 (OANA-YONHAP)—A Liberal South Korean Catholic priests group may ask the government to arrange a meeting with North Korean officials to discuss its plan to send 15 priests to North Korea for unification masses, a spokesman for the group said Thursday. Four representatives of the Catholic Priests' Association for Justice (CPAJ) met with officials of the National Unification Board earlier in the day to discuss their anticipated visit to the North Aug. 14-16.

The spokesman said his association wanted to meet with North Korean officials to discuss procedures for the unprecedented trip and that it may use a government channel in contacting North Koreans.

The priests and the Unification Ministry officials discussed on how they can be given by the North the guarantee of security during their stay in the North and safe return, according to the spokesman.

The Unification Ministry recommended the priests to apply for government approval for planned contacts with the North. The association will soon decide whether they will file such application with the board, the spokesman said.

Unification Minister Hong Song-chol said in a news conference earlier in the day that the government will allow the priests to visit Pyongyang for unification services if North Korea guarantees their safety. Their proposed trip to Pyongyang falls within the time frame for free cross-border travel proposed by President No Tae-u on July 20.

The association said Tuesday it would apply for permission for 15 members to officiate masses in Pyongyang and at the truce village of Panmunjom to pray for the reunification of the divided Korean peninsula.

New Dissident Group Seeks To Visit North

SK0308092590 Seoul CHUNGANG ILBO in Korean 30 Aug 90

[Correspondent An Song-kyu from Osaka]

[Text] At a news conference held on 3 August, the tentatively named Party of the Masses stated that it will make a five-day visit to North Korea from 13 through 17 August to discuss with North Korean political parties the reunification question after forming a delegation of its own.

The Party of the Masses, following this announcement, formed a 30-member delegation to be headed by Yi Chae-o, the party's secretary general and chairman of the party's Committee for National Reunification. The Party of the Masses is expected to submit to the Ministry of National Unification Board a request for permission to visit North Korea on 4 August.

At the news conference, the Party for the Masses stressed that "in order to bring the reunification movement onto the level of a mass movement, the North and South need to promote exchanges between political parties" and then explained that "the Party of the Masses has decided to pursue a visit to the North based on the government's policy on national exchange."

DPRK Envoy to USSR Reportedly Goes Back

SK0308093090 Seoul CHUNGANG ILBO in Korean 30 Aug 90

[Correspondent An Song-kyu from Osaka]

[Text] The North Korean ambassador to the USSR, Son Song-pil, who was called back shortly before the ROK-USSR summit meeting as an expression of unhappiness over the Soviet policy toward South Korea, reportedly has returned to the place of his appointment.

Kim, Dobrynin Discuss Issues of 'Common Concern'

SK0308023190 Seoul YONHAP in English 0155 GMT 3 Aug 90

[Text] Moscow, Aug. 3 (OANA-YONHAP)—Top advisers to the Soviet and South Korean presidents huddled in the Kremlin for 30 minutes of talks on "matters of common concern" on Thursday.

Kim Chong-hwi of Korea, presidential assistant for foreign and national security affairs, said he had closed-door talks with Anatoliy Dobrynin, presidential adviser for foreign policy, but declined to disclose what was discussed. "We talked about matters of common concern," Kim said, adding that President No Tae-u's regards to President Mikhail Gorbachev were delivered to Dobrynin, who said Gorbachev had told him to take good care of the Korean delegation when he left on vacation.

Kong No-myong, head of the South Korean Consular Department to Moscow, attended the Kim-Dobrynin meeting.

The 20-member Korean delegation, here for talks on improving bilateral ties, is expected to return home on Aug. 10, two days early, as its schedule was advanced.

Editorial Criticizes PRC Attitude Toward ROK

SK0308074890 Seoul HANGUK ILBO in Korean 1 Aug 90 p 2

[Editorial: "Only Trade Office After All?"]

[Text] Our northern diplomacy has now entered a second stage. The government's first official delegation led by the Presidential Senior Secretary for Economic Affairs left yesterday for the Soviet Union for negotiations on ROK-Soviet economic cooperation and the establishment of diplomatic relations, and China's General Secretary Jiang Zemin and State Council Spokesman Yuan Mu have reportedly said that consideration is underway to open a trade office in the ROK.

Considering the need to promote an atmosphere favorable for reunification, which is the nation's most ardent desire, and to create new paths to political and economic reactivation, there is no need to reevaluate the legitimacy of our northern policy. However, when we look at the current attitudes of those target countries of our northern diplomacy, we cannot help but begin to think that we would gain nothing in national prestige and interest if we unilaterally hurry unduly. Those countries which we deal with seem to be craftily exploiting our northward rush and calculating between economic cooperation and aid and the establishment of diplomatic relations. Especially regarding diplomatic relations, they even seem to persist in the old tendency of not recognizing the legitimacy of the ROK as was the case during the cold war period, while still continuing to expand economic exchanges with us.

In the case of China, this is particularly true. Although the trade volume between the two countries has already exceeded $2 billion, and although we have rendered full-scale help for the Beijing Asian Games, and although the number of our visitors to China is increasing every day, even trade offices, where consular business is also conducted, have not been established yet. Thus, the equivocal attitude of politically considering the ROK taboo is still tenaciously maintained.

But still, whenever necessary, China exploits our impatient desire for formal relations as a diplomatic card and makes multi-purpose remarks about establishing trade offices in the ROK and China. As for what Jiang Zemin said on 30 July, he made an indirect comment on the ROK at a meeting with visiting Japanese figures. Thus, some analysts even think that his hidden intention was actually to earn Japan's favor in connection with loans from Japan. We even have the impression that China uses the ROK question as a playing card with Japan, and that Japan and China exclude us in discussing matters connected with us.

We can of course consider China's own situation. Many issues seem to hinder the establishment of formal relations between the ROK and China, such as China's reluctance to fully open after the Tiananmen Square incident, the fact that it is an ally of North Korea, which has become friendless in the wake of the Soviet Union's opening, and many other factors which could become problems if China establishes formal relations with the ROK.

However, as has been proved with the changes that have taken place in East Europe and with the Soviet Union's full-scale opening, it would be impossible for China to continue to maintain its ambiguous attitude toward the ROK in terms of formal relations. Today in particular, when regional economic blocs have been established in North America and Europe, China, which is desperately seeking economic reform, won't be able to join the northeast Asian economic bloc without cooperation with the ROK. This seems to be the reason why Chinese leaders say that they are at least considering opening a trade office after the Asian Games.

On our part, above all, we need prudent thinking. The culmination of the northern diplomacy and the establishment of ROK-Chinese diplomatic relations are inevitable in the long run. However, due to the situation of the opposing sides, these things will take time. Accordingly, there is no need for our government and business circles to unilaterally hurry and to uselessly spend our precious money.

Fruits fall only when they are ripe. After all, establishing formal relations is a matter of reciprocity between two countries. Thus, it is acceptable to try to lead the opposing side to opening, but it is unnecessary to make unilateral concessions. We should be even more unhurried, should strengthen our capabilities and take time, and should prepare ourselves for the establishment of formal relations with China in the future, and continue to rationally and efficiently implement the northern policy.

PRC Tentatively Agrees on Sports Exchange

SK0208112590 Seoul YONHAP in English 1116 GMT 2 Aug 90

[Text] Seoul, Aug. 2 (YONHAP)—Sports officials of South Korea and China have tentatively decided to conclude an agreement on sports exchange between the national olympic committees [NOC] of the two countries during Beijing Asiad, vice sports minister Kim Yong-kyun said Thursday.

Kim, who returned to Seoul Wednesday after winding up a week-long visit to China, told reporters that he had a series of contacts with Wu Shaozu, minister of state physical culture and sports commission, and other leading Chinese sports officials during his stay in Beijing.

Kim said he proposed during a dinner hosted by Chinese sports officials Monday that the two countries seek a government-to-government agreement on sports exchange. The Chinese official were known to have opposed the idea of official-level accord in view of the lack of official relations between the two countries. They, however, expressed their willingness to pursue an NOC-level agreement, Kim said.

He said the two countries are expected to sign the accord on the basis of an agreement between sports ministers during the Beijing Asiad, slated for Sept. 22-Oct. 7.

Emergency Steps Ordered for Koreans in Kuwait

SK0308031690 Seoul YONHAP in English 0300 GMT 3 Aug 90

[Text] Seoul, Aug. 3 (YONHAP)—South Korea has instructed its embassy in Kuwait to take emergency measures to protect Koreans from harm as a result of the Iraqi invasion, a government official said Friday.

The Labor Ministry told Ambassador So Hyung-yong via the Foreign Ministry on Thursday afternoon to take emergency measures to protect Korean workers and report any damage to Korean property, and ordered Hyundai Engineering and Construction Co. and Daelim Industrial Co. to evacuate their employees from Kuwait, a Labor Ministry spokesman said.

He said 540 Koreans work in Kuwait, including 355 employed by Hyundai and 61 nurses. Hyundai has five construction projects worth 250.35 million U.S. dollars in Kuwait.

Yi Ki-kwon, the embassy's labor affairs attache, has reported that 74 workers erecting a power line near the Iraq-Kuwait border are sheltering at a Hyundai construction site near Kuwait's border with Saudi Arabia, the spokesman said.

Yi was quoted as saying that Hyundai has suspended work and workers are making arrangements to move to Saudi Arabia. Koreans employed by foreign companies were also instructed to take shelter.

Korean construction firms Hyundai, Samsung, Hanyang, Chungwoo and Namkwang have 618 workers in Iraq for 13 projects worth 2.28 billion dollars.

Iraqis Hold Korean Worker

SK0308031190 Seoul YONHAP in English 0246 GMT 3 Aug 90

[Text] Seoul, Aug. 3 (YONHAP)—A South Korean construction worker is being held in custody by the Iraqi invasion force in Kuwait, the Foreign Ministry said Friday.

Kim Yong-ho, a Hyundai employee, was seized by Iraqi soldiers at 5 a.m. Thursday while on his way to a construction site in a company bus. The 13 other Korean workers were released shortly afterward but Kim and 100 Thai workers were detained, the ministry said.

"The Iraqis are reportedly releasing their 1,000 prisoners gradually and combat has virtually ended, we would like to think he is safe although confined and are doing our best for his immediate release through diplomatic channels," a spokesman for the Ministry said.

The Korean Embassy in Kuwait is checking on the safety of the 706 Koreans in the Emirate and has recommended they observe a voluntary dusk-to-dawn curfew, he said.

Government 'Deeply Concerned'

SK0308012390 Seoul YONHAP in English 0108 GMT 3 Aug 90

[Text] Seoul, Aug. 3 (YONHAP)—South Korea expressed Friday deep concern over Iraq's invasion of Kuwait and called for Iraqi forces to leave Kuwaiti territory.

"The Government of the Republic of Korea is deeply concerned over the developments of situation in the Gulf area involving military action by the Iraqi troops into the Kuwaiti territory," the Foreign Ministry said in a terse statement.

"The Government of the Republic of Korea wishes that the Iraqi forces be withdrawn from the Kuwaiti territory as soon as possible. Both Iraq and Kuwait are friendly countries of the Republic of Korea and the Korean Government strongly wishes that the disputes existing between the two countries will be resolved not by force, but through peaceful means," said the statement issued by ministry spokesman Chung Ei-yong.

Oil Imports 'Not Affected'

SK0308002990 Seoul THE KOREA TIMES in English 3 Aug 90 p 10

[Text] Despite Iraq's invasion of Kuwait, the nation's oil imports will not be affected because crude imports from the two Middle East countries account for a small portion of total imports, the Energy-Resources Ministry reported yesterday.

A ministry official said the nation's crude imports from the two countries total 109,000 barrels a day, accounting for nearly 10 percent of the nation's total imports. He said the nation's oil transport route from the Middle East won't be disturbed by Iraq's action.

Yi Sang-hun, France View DPRK Nuclear Arms

SK0208123890 Seoul SEOUL SINMUN in Korean 2 Aug 90 p 2

[Report by correspondent Kim Chin-chon from France]

[Text] It has been learned that France will actively exercise its influence, including diplomatic efforts, to stop North Korea from producing nuclear weapons.

At noon (local time) on 1 August in a meeting between French Prime Minister Michel Rocard and visiting ROK Minister of Defense Yi Sang-hun, Prime Minister Rocard said, "It is natural for Korea to be apprehensive over the issue of Morth Korea possessing and producing nuclear weapons." He also revealed, "France will actively exercise its influence through all international organizations, such as the International Atomic Energy Agency and the Conference on Security and Cooperation in Europe (CSCE), to make North Korea give up its attempt to produce nuclear weapons."

Regarding North and South Korean relations, Prime Minister Rocard pledged, "We will make diplomatic efforts so that the detente between East and West through reform and openness can also be achieved on the Korean peninsula." He said, "We will work to create an international atmosphere to induce North Korea to achieve democratization and openness."

Exports to East Bloc Increase Over Last Year

SK0308024790 Seoul YONHAP in English 0230 GMT 3 Aug 90

[Text] Seoul, Aug. 3 (OANA-YONHAP)—Exports to East-bloc countries in the first half of the year are far ahead of last year's volume, with Soviet-bound shipments from South Korea up 770 percent.

Imports were virtually unchanged at 1.175 billion U.S. dollars while exports were up at 1.172 billion dollars for 2.347 billion dollars in two-way trade between Korea and communist nations. Comparable figures for the whole of last year are 2.259 billion dollars in imports, 1.962 billion dollars in exports and total two-way trade of 4.221 billion dollars. The exception was China, where exports dwindled 14.1 percent to 680 million dollars and imports grew 9.5 percent, further unbalancing the trade relationship. Shipments to China in 1989 were 1.438 billion dollars while imports were 1.75 billion dollars.

Exports to the Soviet Union showed the highest leap, to 210 million dollars in the first half compared to 280 million dollars for the whole of 1989. Imports from the Soviet Union dropped 10.3 percent to 166 million dollars.

Sales to Poland, Hungary and other Eastern European nations rose 159 percent to 254 million dollars but imports were sluggish with a weak 18 percent gain to 79 million dollars.

Vietnam, Laos and other Asian communist countries except China bought 37 million dollars worth of goods from Korea, 136 percent more than in January-June last year. Korea's imports rose 40 percent to 21 million dollars.

Economy's Competitive Power 'Falling Sharply'

SK0108070990 Seoul YONHAP in English 0618 GMT 1 Aug 90

[Text] Seoul, Aug. 1 (OANA-YONHAP)—South Korea is beginning to look less like an economic "dragon" and more like an "earthworm" due to sliding international competitiveness and its distorted industrial structure, the Korea Chamber of Commerce and Industry (KCCI) said Wednesday.

Drifting economic policies since the explosion of social demands in 1987 caused a hollowing of industry, pushing secondary industry's portion of total industry to below 40 percent, said a report on KCCI's "comparative survey of competitive factors involving Korea's competitors." The survey said the Korean economy's competitive power against Japan, Taiwan, Singapore and Hong Kong was falling sharply, according to the survey of 11 areas of industry that included prices, wages, industrial structure, interest rates and taxes.

Korea was recently ranked last among the four dragons in overall competitive power by the international Institute for Management Development (IMD). The Swiss institute's annual report on Asia's 10 newly industrializing economies (NIES) put Korea in fourth place in international competitiveness.

Inflation in Korea has been higher since 1987 than in Japan and its Asian rivals—7.1 percent in 1988 and 5.7 percent in 1989 compared with 0.7 percent to 1.7 percent in Japan, Taiwan and Singapore.

Korea had the highest pay raises between 1985 and 1989. Wages in Korea rose 16.2 percent annually in nominal terms while they went up 3.3 percent in Japan and 11.4 percent in Taiwan, the survey said. The average Korean worker earned 653 U.S. dollars a month in 1988, compared to 643 dollars in Taiwan, 644 dollars in Singapore and 567 dollars in Hong Kong.

Industrial productivity surpassed wage hike rates until 1987 but wages outgrew productivity in 1988 and 1989. Wages rose 19.6 percent and 25.4 percent in 1988 and 1989 while productivity grew 14.6 percent and 11.9 percent.

Secondary industry's share of total industry rose steadily since 1960 with industrialization, but began to wane in 1988. It peaked at 37.4 percent in 1988 but fell to 33.2 percent in 1989 because of expansion in the service industry caused by overconsumption.

Although the figures are similar to those of advanced nations, the background is different, according to the survey. In advanced countries, secondary industry first went up to 40 percent or 45 percent and then fell to 32-36 percent as a result of development in service sectors such as finance, insurance and advertising.

The ratio of net worth to total capital is steadily growing but is just 28.2 percent, compared to 54.3 percent in Taiwan.

The debt ratio of Korean businesses surpasses that of Taiwan businesses by 254 percent to 84 percent.

* 'Special Inspection Team' Established

902C0225A Seoul TONG-A ILBO in Korean 14 May 90 p 3

[Unattributed report: "'Proofs of Irregularities in Official Hands'; Political and Bureaucratic Quarters Uneasy"]

[Text] With the Blue House "special inspection team" [SIT] beginning its full-scale activities effective 14 May, public concern is focused on the levels and contents of its future secret investigations and their outcome.

The SIT's activity—although it has a time limit and is to continue only through the end of this year—is the Sixth Republic's biggest "surgical work" to remove absurd, irregular and inappropriate things throughout the society. Therefore, it is looked at with great expectations. At the same time, however, it has created some fears regarding its side effects, including a restless bureaucratic society.

Secret Inquiries To Include Development Plan Leaks

Types of irregularities and corruption among public office holders as listed by the SIT are: cases of fortunes amassed through real estate speculations and similar activities, leaking of various development plans and other irregularities involving official duties, any public or private conduct unbecoming of government officials, and official irregularities involving special interest groups. The SIT inquiries will cover all public officials ranging from ministers and vice ministers to rank-and-file employees.

However, the team already has information dealing with a considerably large number of absurdity and irregularity cases against government officials. Their analyses and confirmation will likely be SIT's initial work. An interested source disclosed that "inasmuch as the inspection team comprises personnel from the government's investigative organizations including the Board of Audit and Inspection, the Prime Minister's Office, the National Police Headquarters as well as the Office of Senior Presidential Secretary for Civil Affairs, there are enough materials in the files already."

Furthermore, since the SIT has been organized by the president's special order, various intelligence organizations are expected to cooperate.

If any irregularity and corruption cases are established through the process of analysis, screening and confirmation, the officials involved will be subjected to disciplinary action, dismissal or criminal prosecution in hopes of one punishment giving a lesson to a hundred persons. They will be dealt with appropriately regardless of their positions, according to plans.

However, in fear of general side effects from a "cold lashing wind" that might rip through the officialdom, the SIT seems to be taking pains preparing measures to head off any adverse effects.

"In order to tighten official discipline and win public trust with the government's intent, there should be thorough investigations and whoever found guilty should be strictly dealt with," an official involved maintained, adding: "Also involved is a difficult task of taking steps to improve systems in the bureaucratic society and enhance its morale at the same time lest the secret inquiries should result in a stir and restiveness among public servants."

SIT members are to conduct their inquiries totally undercover. Although doing so is directly connected with the technicality of their inquiries which are secret, they say that it will contribute to minimizing any negative impact on the bureaucratic society that might result.

No Quota-Type Punishments to Ministries

Chong Ku-yong, senior presidential secretary for civil affairs and top SIT leader, emphatically said: "Our investigations are not primarily for punishing and censuring people as in the past but for getting government employees to gird up their loins and tighten official discipline."

In connection with the SIT's role, Chong Ku-yong suggested that the special inspection is an exercise of the presidential power by saying that "it is also important for the SIT to straighten out the situation if persons who have exposed absurdities and irregularities should be unfairly treated by any inspection or investigative agency of the government."

"The purpose is not to punish a good housewife for breaking a dish in the kitchen but rather to get a lazy housewife to work in the kitchen," he said. Also, citing another example, he explained, "Inside the bureaucratic society, there might be accusations that they cannot work with Mr. So-and-So. Those persons shunned by people will be a main target of our investigations."

Chong Ku-yong also said that there will be absolutely no quota-type inquiries to allocate so many dozens of people to be punished in each ministry and agency nor a wholesale-type investigation. Again using a metaphor, he noted that "investigations will also focus on those who, while in an important position, made the most of it for private, illegitimate purposes and then went into 'hiding' by 'escaping' to a post of leisure—rather than on incumbents in important positions."

Meanwhile, the 54 SIT members submitted their resignations en bloc as a gesture of burning the bridges behind them, pledging that they will "raise no objection to being dismissed or otherwise punished for any public criticism caused in the course of the team's investigative activities."

The screening of information that has been gathered is now in progress by each sub-team. According to reports, the screening and analyzing of materials already gathered will take a considerable amount of time.

High DLP Executives Halfhearted

The DLP [Democratic Liberal Party], while feeling pressures as public criticism mounts against the fact that power holders and politicians are excluded from the crackdown on irregularities and antisocial activities, still shows an extremely cautious response to the question of "secret inquiries of assemblymen" because of its highly sensitive nature.

High party executives in particular are showing an attitude neither negative nor affirmative but halfhearted toward the rumored inclusion of assemblymen in the SIT investigations. In contrast, younger DLP assemblymen advocating a political world rectification are positively demanding "punishment for every one guilty, leaving no sanctuary for any."

DLP Secretary General Pak Chun-pyong today denied the rumor for the moment by saying that "if there is anything like that, it cannot be that I am left in the dark about it. As for me, I know nothing about it."

At the same time, Pak suggested that there are no good reasons for opposing such expanded investigations or secret inquiries by government authorities, saying "In principle, however, in a clean politics movement and cleanup of absurdities and irregularities involving politicians, the party should take the lead, should it not?"

First Minister of State Kim Yun-hwan in his comment said that the SIT inquiries "probably will not go beyond investigations by the prosecution into cases where special interest groups are involved." "With the atmosphere being as it is," he continued, "it is feared that anonymous calls as anticipated or things like that would have a negative effect on the nation's political climate."

Meanwhile, the positions of the ex-RDP [Reunification Democratic Party] and ex-NDRP [New Democratic Republican Party] members on this issue show a relatively more complex pattern.

At a press conference on 11 May, Kim Yong-sam, representative of the DLP supreme council, emphasized his "will for self-purification" by saying that "there should be a thorough cleanup of irregularities involving politicians, too."

He was followed by So Chong-won, director of the Office of Policy Coordination, who said: "It makes no sense to exempt politicians, military leaders and other power holders from the list of targets in the cleanup. I will take up this issue at party levels." He thus made clear his position for backing up Kim Yong-sam's intent.

However, a section within the DLP fears the possibility of factions inside the party suffering unexpectedly grave consequences should the investigations by any chance move in a wrong direction and spread out. Complaining, an assemblyman of the group said: "In the first place, the whole thing started out as part of an administration-level reform effort to wipe out such things as real estate speculation by government employees. I don't know why it should be expanded into the political sphere. At a time we have that precious mood of harmony in the party after the DLP national convention, I really don't know why we should stir up unnecessary trouble."

The background of their complaints seems to have something to do with the fact that a report released by the prosecution toward the end of last year (before the three-party merger) concerning its investigations of incumbent assemblymen included references to a number of then opposition members of the National Assembly. Reactions of ex-NDRP members are more complicated because some of them were mentioned in the rumors thus spawned.

Kim Chong-pil, member of the DLP supreme council, appeared unconcerned when he said, "I understand that the SIT authorities are investigating irregularities involving political figures, too." But, as the names of Assemblymen Sin Chin-su and Yi so-and-so, whose parliamentary activity was recently criticized, were mentioned in connection with the prosecution's investigations or the SIT targets, ex-NDRP assemblymen within DLP are worried and unhappy.

They strongly complain, "Why do they pick on ex-NDRP members only?" A prevailing observation, however, is that for all the intricately sensitive and complex interests involved, the controversial "secret inquiries about political figures" will eventually end up in smoke after some "fanfare."

PPD Fears Being Made the Scapegoat

The PPD [Party for Peace and Democracy] accuses the government of spreading words about secret inquiries of ruling and opposition assemblymen in an attempt to hoodwink public opinion by arresting chaeya [reformist camp] personages and making National Assembly members the scapegoat for the crises it has created by its own maladministration.

Commenting on allegations that a certain PPD assemblyman is targeted for investigations in connection with a libel case in the past connected with the real estate industry, Floor Leader Kim Yong-pae and Policy Board Chairman Cho Se-hyong said indignantly, "Why in the world are they making an issue of such an old, old thing at this time?"

PPD Floor Leader Kim blasted that "secret inquiries about politicians are understandable as long as they are for straightening out social discipline. But the move to investigate incumbent assemblymen in connection with cases that were already basically settled shows an ulterior motive to divert public attention." "It is wrong," he added, "for them to go so far as citing the name of an opposition assemblyman previously involved in a libel suit under the pretext of controlling real estate speculations."

National Assembly Vice Speaker No Sung-hwan deplored that "amid the many difficult things confronting them, they are repeating the same old things they did in the past for patching up in the face of public opinion." PPD Secretary General Sin Sun-pom charged that "the whole idea is to shift the blame for their misrule to other spheres."

Han Kwang-ok, chief secretary for PPD President Kim Tae-chung, angrily said that "the way they are creating an intimidating atmosphere among assemblymen shows that their aim is apparently to silence demands for reform."

Public Disclosure of Assets To Be Urged

The group tentatively called the Democratic Party sees the SIT's activity as a means for the government to find a way out of the political crisis that has been created. At the same time, it takes the position that the government should not use the cleanup of irregularities as a trump card and a means to divert public attention.

Party Spokesman Chang Sok-hwa in his comment said that "we cannot but be seriously concerned about the SIT activity because its target list even includes ruling and opposition politicians, which shows that there is a great danger of the activity leading to the same 'politics of maneuvering' as in the 'Revitalization' Fifth Republic days and being abused." "Measures for institutional reform should be prepared to realize the public disclosure of assets by politicians," he demanded.

No Tae-u Urges Balanced Budget, More Spending

SK0308023590 Seoul YONHAP in English 0219 GMT 3 Aug 90

[Text] Seoul, Aug. 3 (YONHAP)—South Korea will expand its budget 20-25 percent next year, hiking outlays for agricultural programs and the environment.

President No Tae-u told the ruling party Thursday afternoon to draw up a balanced budget, which will mean an increase in spending of up to 25 percent to 28 trillion won (38.5 billion U.S. dollars).

"We should make a balanced budget for sound public finance. Keeping this in mind, we should fully invest in expanding the social overhead sector, proceeding with structural adjustment of agriculture, increasing development projects to diversify income sources for farmers and installing anti-pollution facilities," No told Kim Yong-hwan, chairman of the Democratic Liberal Party's policy-making committee.

"Labor-management relations are stable and our economy will be able to take off if the government positively encourages the private sector to expand installation investment for technology innovation and production automation."

Kim told No the party and Economic Planning Board will have a draft budget ready by Sept. 4 for introduction to the National Assembly in the fall session.

Deputy Prime Minister Yi Sung-yun hinted at a big rise next year in a news conference July 23.

Yi, who is also economic planning minister, said expansion of the social overhead sector is the key to Korean efforts to make its products more competitive, but refused to say how much spending on that sector should be increased.

The state-run Korea Development Institute suggested several days later that the 1991 budget be scaled at 28.5 trillion won, up 25.6 percent from this year's 22.7 trillion won.

The expected expansion has sparked worries of inflation among economists while opposition lawmakers have labeled it a purely political move to prepare for the 1992 general elections.

Article Questions Role of Politics on Budget

SK3107002590 Seoul THE KOREA TIMES in English 31 Jul 90 p 8

["News in Review" by assistant economic editor Pak Chang-sok: "Expansion of 1991 Budget Seen Fomenting Economic Pressure"]

[Text] Is Yi Sung-yun a politician or bureaucrat? Looking at the office he holds currently, Yi must be an economic technocrat, because he is the nation's top economic administrator, responsible for the entire national economy. Nonetheless, the policies he puts forward make the people wonder if he is a politician rather than a simple-hearted bureaucrat.

In the less than six months since he was tapped as the deputy premier-economic planning minister, the policies he has suggested have been typified as "inconsistent and irrelevant"—alternating the path of growth orientation and stability.

These on-again, off-again, turnarounds in economic policies, few dispute, have largely stemmed from political motives. The lack of consistency has made the people confused over the direction of the national economy.

Undesirable signs are everywhere. Apart from what some economists call the "deformed" double digit high growth, unstable fundamentals are in sight in many areas. Growing inflationary pressure, flagging exports, and slumping stock market, are a good example of the current economic unrest facing the country.

Last week, Yi became again the target of harsh public criticism after he disclosed the basic framework for next year's state budget, requiring a drastic expansion in public spending, unparallelled in previous years. The bloated budget also smacks of political reckoning, observers view.

Under the pretext of boosting the infrastructure of the national economy, Yi revealed that next year's government budget needs to be scaled up to the level of 28 to 29 trillion won. This is as much as 23 to 28 percent over this year's.

Setting forth the need for an increased budget, Yi laid out plausible reasons. At a glance, his rationale is deemed persuasive. Notwithstanding, the public worries about the possible ill-effects of a hyper-expansionary budget. The greatest woe economists consider a budgetary increment to incur is an intensification of inflationary pressure.

For now, there is no denying that the stabilization of domestic prices holds the key to pulling the economy out of its bind and putting it back on the path of dynamic growth. As for the idea that inflationary woe faces the country, both international and local economists are almost in agreement.

A clear warning came form the International Monetary Fund (IMF), the world-renowned authoritative think tank, that has pointed out mounting inflationary pressure as a major risk for Korean economic development. In its annual assessment of the national economy early this month, the IMF's consultative mission recommended that the anti-inflationary stance of monetary and fiscal policy be strengthened, with emphasis being given to tight expenditure restraints.

A similar suggestion came from the nation's central bank, which emphasized greater efforts to arrest runaway inflation. The Bank of Korea (BOK), in its seasonal analysis of the economic performance, recommended that the economic policies should be conducted in such a way as to stabilize prices in the second half of this year.

Official statistics showed that consumer prices have already soared about 7.4 percent in the first half of this year and the possibility is high that the inflation rate will go up to the level of double-digits, despite the government authorities' repeated pledge to keep it under 10 percent.

Looking at the news reports about the government's plan to raise its budget at a greater margin, the people fear a risky upsurge in monetary supply and subsequent price hikes.

Against such growing criticism, Yi has his own rationale, which is considered to be not understandable to the public. Yi maintained that tight budgets for the last decade have acted as an obstacle to boosting social infrastructure, which he claims has resulted in a bottleneck for private productive activities. He asserted that the increase in public spending on economic infrastructure, which he claims has resulted in a bottleneck for private productive activities. He asserted that the increase in public spending on economic infrastructure such as transportation and airport facilities will not have an inflationary impact as the outlays are to be kept within revenue.

Yi's assertion is hard for the public to understand. It is common sense that restraints should be put on public disbursements when the nation is plagued with malignant inflationary pressures. In particular, it is quite interesting to think that President No Tae-u stressed the keeping of price hikes rates below 10 percent some weeks ago and Yi's commitment to contain inflation at a single-digit rate at any cost.

Despite Yi's repeated denial, the expansion of next year's public spending seems to be a shift from the short-lived stability-oriented policy.

For now, the people doubt whether the enlargement of the 1991 budget is related to politically-oriented public undertakings in the face of major political events. Elections of local autonomy assemblies, and presidential and parliamentary elections are scheduled in the next couple of years.

On top of this, the No administration owes the people voters as much as 86 trillion won worth of public projects he pledged when he was a presidential candidate in 1987.

At the moment, what is suggested among other things is that economic policies should not be conducted in such a way as to seek short-sighted popularity from the people, specifically voters.

Ministry Targets Funding for Integrated Circuits

SK2707021390 Seoul YONHAP in English 0200 GMT 27 Jul 90

[Text] Seoul, July 27 (OANA-YONHAP)—The South Korean Government has chosen the ASIC (Application Specific Integrated Circuit) industry as a main industry and will raise its technology level to that of advanced countries by 2000, the trade and Industry Ministry said Friday.

Research funds will be given to small- and medium-sized ASIC makers for technology development, and special foreign loans and grants from the industrial development fund will be used to build ASIC factories and ASIC design centers, a ministry spokesman said.

An ASIC design center at Yonsei University and corporate ASIC design schools will be aided to foster ASIC specialist personnel and the government's fund to restructure small- and medium-sized businesses will be used for training technicians, he said.

Computer-aided design systems and in-house software programs, indispensable technology for the ASIC industry, will be developed earlier than scheduled, he said.

Tax incentives will be used to steer firms toward increasing investment in facilities, and research and development.

ASIC production last year accounted for 1.3 percent of total Korean semiconductor production, or 23 million dollars' worth, while the global ASIC market is worth 8.6 billion dollars, or 15.3 percent of the semiconductor market turnover of 56.4 billion dollars.

By the year 2000, the ASIC industry will account for about 20 percent of total domestic semiconductor production, if these measures pay off, the spokesman said.

Burma

Exiled Group Denounces Japan for Rangoon Grant

BK3107043090 Hong Kong AFP in English 1733 GMT 30 Jul 90

[Text] Bangkok, July 30 (AFP)—An opposition Burmese group in exile Monday denounced Japan for extending an aid package to Rangoon's military junta. In a statement released here, the Committee for Restoration of Democracy in Burma (CRDB) accused Japan of "financing an illegal government dedicated to tyranny, mass murder, torture, civil war, ecological devastation and drugs." CRDB was referring to a debt relief grant of 3.5 billion yen (22.4 million dollars) announced last week by Tokyo.

A Japanese diplomat in Rangoon said last week the move did not herald a lifting of an aid embargo by Japan but was simply designed to help finance outstanding Burmese debts to Japan, formerly Rangoon's largest aid donor. Tokyo's aid was cut off because of the September 1988 coup in the Indochinese nation when generals seized power to brutally suppress a nationwide pro-democracy movement.

"Tokyo's contention that aid is not aid is not credible," the CRDB statement said.

Ruling Council Member Receives French Envoy

BK2607135690 Rangoon Domestic Service in Burmese 1330 GMT 26 Jul 90

[Text] On behalf of the chairman of the State Law and Order Restoration Council [SLORC], SLORC member Vice Admiral Maung Maung Khin received Mr. Georges Sidre, French ambassador to Myanmar [Burma], at the Dagon Yeiktha of the Defense Ministry at 1400 today.

Also present with Vice Admiral Maung Maung Khin were U Ohn Gyaw, director general of the Foreign Ministry's Political Department, and Colonel Thura Aung Htet, director general of the Foreign Ministry's Protocol Department.

Thai Paper Describes Life in Khun Sa's Camp

BK2907055890 Bangkok BANGKOK POST in English 29 Jul 90 p 8

[By Patricia Elliott with Subin Khunkaeo]

[Text] The village looks tranquil and lonely, with no more than 20 wood and thatch homes perched on the edge of terraced paddy fields. But Ner Mone, just inside Burma's Shan State opposite Mae Hong Son province, is neither quiet nor isolated.

By early morning the sound of chainsaws and the cries of mule drivers echo through the surrounding forest. At a complex of new-looking buildings topped with shiny zinc roofs, hundreds of small figures can be seen stooping and lifting sacks on to their backs. These are the boy-soldiers of the Muang Tai Army [MTA]. They have walked from Khun Sa's training camp at Hamong—about three hours by foot along a wide road winding through the mountains—to buy rice. Sometimes sinking knee-deep in monsoon mud, they trudge past a parked road-grader from Thailand.

This is not the only road leading to Ner Mone. Impossible to see from the village, an equally busy route lies hidden beneath the forest canopy of Ner Mone's verdant mountain backdrop.

From Thailand's Mae Suya, just outside Mae Hong Son town, the path rises into the mountains in a series of treacherous switchbacks. At night travellers on the hidden road move in wary silence, passing over a windswept mountain-top before plunging down into the jungles of Shan. It's a dangerous seven-hour journey in total blackness and heavy rain, but along the route there are no checkpoints and few passers-by.

It is this road and others like it that finance the MTA. Khun Sa readily admits that 60 percent of his army's income comes from the transborder trade of opium and heroin. The trade raised US$92.9 million last year, and is expected to be even more lucrative this year. It has also earned Khun Sa the nickname "Prince of Death". And a US indictment for drug trafficking.

The army, according to its selfmade general, is 18,000 strong in regular troops, with a reserve of 5,000 and local militia numbering 8,000. He calls it an army of liberation dedicated to recovering the Shan State from the "Black Burmese" in Rangoon. Others call it a private mercenary force dedicated to protecting Khun Sa's personal profits.

The boys carrying rice to Khun Sa's Tiger Camp profit little enough: they earn 150 baht per month, as soldiers in action. Still, to the impoverished families of Shan State any extra money is an incentive to send their sons to Khun Sa.

Whatever the motive for entering Khun Sa's camp, it's easy to tell what attracts recruits, merchants and villagers to build a thriving home base for the general.

In addition to 3,000 military men, there are 6,000 civilians living here and every day about 60 people—mostly merchants—pass through the MTA checkpoint. Their arrival is meticulously recorded in books by staff.

A straight, hard-packed lane leads from the checkpoint through a neat line of new homes. There is a busy morning market and shops carrying a wide variety of Thai goods. At night, one shop even shows videos. The place looks clean and orderly. A primary school and hospital are further luxuries unknown to many nearby mountain villages.

On a festival evening, soldiers linger around brightly-lit food stalls on the grounds below a hill-top temple. Others gather at a natural amphitheatre with a large stage. There are traditional dances and performances by school children, followed by live rock'n'roll as the night deepens.

In marked contrast to the impoverished, war-torn surrounding countryside, Khun Sa has provided an atmosphere of prosperity and security. He promises these same benefits to all the Shan people if his army is successful. And he has promised the people even more: "If we have regained our rights, then we will be rich men sitting on gold chairs and sleeping on gold beds," he says.

But for now the promise is exclusive to those living inside the camp. The 89-bed hospital and surgical unit gives free treatment to all comers, but local villagers must walk three or four days to get there, says hospital director Sai Myint. His 75 in-patients are mostly soldiers and young recruits suffering from malaria and malnutrition.

In one bed lies a comatose 16-year-old with meningitis. In the surgical ward Sai Myint checks the arm of a soldier. He is 17 and has suffered his first bullet wound.

The hospital's two doctors and three nurses spend most of their time battling diseases that have always plagued the region: hepititis, pneumonia and malaria. But among a large contingent of Shan women who went to work in the south of Thailand, about 300 have contracted AIDS. Khun Sa says he will help the women, who are now staying in Chiang Mai.

Khun Sa's "rural development" scheme is also reserved for those willing to join the enclave. The man whose name means Prince Prosperity dispenses homes, buffalos, cows and "monetary assistance" to the people—if they enter a "protected area".

Golden beds and chairs aside, what the so-called Opium King can provide from his drug "tax" right now is enough for some.

"Life in the countryside is insecure. There are no proper schools for children, so these people send their children to us. Their parents send them to me to take care of them," says Khun Sa.

In addition to square meals and basic schooling, the children are instructed in the art of war. When they are 16 they are sent to fight the United Wa State Army and the Wa National Army, Khun Sa's rivals in the border trade. At daybreak 500 can be seen shouldering their weapons to begin the March to Doi Long. For what reason?

If you believe the propaganda pamphlets that are heaped on the laps of visitors—"General Khun Sa: his life and speeches" or, "An appeal of the Mong Tai People to the world"—the final aim of the MTA and its in-name-only umbrella, the Tai Revolutionary Council, is a free and democratic Shan-land, affiliated to the Kingdom of Thailand.

This is the message that Khun Sa's political chief, Kwon Mong, takes into the countryside. He is in charge of dispensing leaflets and calling in village representatives for discussions. "We have cells everywhere among the people," he says.

Sitting on his veranda, which is cluttered with books and maps, Kwon explains that political unity with their "cousins" in Thailand and Laos is also desired. "We think all Thai people and Lao people want this, but if the situation is not ready they cannot speak out."

The MTA claims to be the military wing of a mass movement uniting all 26 nationalities of Shan State. But unity seems to be lacking these days. The Lahu, Wa and Kachin are among those trying to achieve their own states within Shan State. "We cannot accept some who want to be apart from the Shan State. It is impossible because we are mixed," says Kwon.

According to Kwon, the Wa are variously the duped victims of the Burmese government, or drug smugglers intent on gaining access to the Thai border. "The Wa are fighting for the interests of one or two drug dealers," he says, echoing the common accusation levelled at the MTA. The Wa have been given free rein by the Burmese government to grow opium. Again, the same is said of Khun Sa.

The MTA has learned the damaging effects of such an image and is eager to dish out the same to its enemies.

Kwon Mong is one of a few intellectuals that Khun Sa keeps at his side. They look nothing like drug dealers and are more reminiscent of the early Chinese student revolutionaries, who organised study cells in the city while Chairman Mao gathered his army in the countryside.

By contrast, Khun Sa looks every inch the warlord. He moves from place to place hidden behind the black reflective windows of a white Toyota truck. Seated in the box is a full contingent of wickedly-armed body guards. When the truck stops the guards leap out and form a strategic perimeter. Only then does the general emerge, looking confident and in control. A bevy of aides and assistants materialise instantly at his side. There can be no doubt Khun Sa commands and has gained the respect of many, for whatever reason.

Prince Prosperity is in his element, surrounded by admirers, journalists, homage-payers and favourseekers. But outside the tiger's camp his power is less secure. Ringed in by hostile rival nationalists, the US Drug Enforcement Administration and the Thai army, this little kingdom is also Khun Sa's prison.

Still, as prisons go it's a well-appointed one with a swinging door to Thailand. When travellers pass through border checkpoints on the main road back to Mae Hong Son, the guards give curious glances but ask few questions. They don't argue when one mule rider is identified as somebody's Chinese sister-in-law. "It helps to have friends," an MTA official explains.

Brunei, Malaysia & Singapore

Malaysia

Foreign Ministry Calls for Iraqi Withdrawal

BK0308055790 Kuala Lumpur BERNAMA in English 0314 GMT 3 Aug 90

[Text] Kuala Lumpur, Aug 3 (OANA-BERNAMA)—Malaysia has called for the immediate withdrawal of Iraqi forces from Kuwaiti territory, the Foreign Ministry said Friday.

The Foreign Ministry said in a statement that Malaysia viewed the situation as extremely precarious and threatening international peace and security. The situation would have incalculable ramifications for the region and Malaysia would support the United Nations to immediately defuse it for fear of escalation and unilateral action by other powers.

Malaysia, which has close and brotherly relations with Iraq and Kuwait, called on both countries to begin immediate negotiations to resolve their differences in the interest of Islamic solidarity and advancement. The statement said Malaysia and other members of the United Nations' Security Council called for an immediate and unconditional Iraqi withdrawal from Kuwaiti territory.

The decision was reached at an emergency Security Council meeting Friday to adopt Resolution 660 which called for the withdrawal. The Council called on both Kuwait and Iraq to begin urgent negotiations to settle their dispute.

Mahathir Urges Iraq, Kuwait To Negotiate

BK0308065590 Kuala Lumpur International Service in English 0600 GMT 3 Aug 90

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed, who is in Venezuela on an official visit, has appealed to Iraq to withdraw its troops from Kuwait and to start negotiations to resolve their problem through peaceful means. He said Malaysia is saddened by the latest development involving the two Islamic countries. In fact, the problem faced by the two neighboring countries could be resolved through negotiations. The matter should not be settled by the use of force.

The prime minister reiterated Malaysia's stand that it could not accept the use of force as a means to settle any dispute.

At the United Nations, Malaysia's permanent representative, Datuk Razali Ismail, said Malaysia is particularly sad, as the invasion occurred in the midst of the annual meeting of foreign ministers of the Organization of Islamic Conference, OIC, in Cairo. Malaysia deeply regretted the event, as Iraq and Kuwait are two members of the OIC. Malaysians are saddened by the loss of lives and destruction brought about by the invasion.

Datuk Razali said Malaysia is against external interference, aggression, and the use of force in inter-state relations. He called for urgent and forthright action by the Security Council.

Ghafar Reaffirms Observers' Role in Election

BK2607143590 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 26 Jul 90

[Text] The Democratic Action Party [DAP] welcomes the cabinet decision to invite the Commonwealth observers team to observe the forthcoming general election. However, DAP Secretary General Lim Kit Siang expressed the hope that Prime Minister Dr. Mahathir Mohamed would discuss with opposition parties what role the observers team will have. The Commonwealth observers team will only act as overseers to ensure that the general election is conducted according to Malaysian law.

Deputy Prime Minister Mr. Ghafar Baba said that the doubts that had arisen previously over the role of the observers team had been cleared up.

[Begin Ghafar recording] The cabinet has decided to invite them, so let us now forget about having any second thoughts. Let us start over; that is, we will send a formal letter of invitation to [Commonwealth Secretary General] Anyaoku and later we will determine the observers' realm of authority. They cannot be involved in enforcing the law of our country; they are just observers. They are free as observers. But from a legal standpoint, they cannot participate in conducting the election. They are only to observe that the election is carried out according to Malaysian law. Just that. We cannot follow Canadian law, and Canada does not follow our Malaysian law, either. Our law is passed by the Malaysian Parliament; therefore we follow Malaysian law. [end recording]

Earlier, Mr. Ghafar opened the sixth annual general meeting of the National Fishermen's Association of Malaysia in Kuala Lumpur.

Navy Boat Missing in Spratly Islands Area

BK2507032690 Hong Kong AFP in English 0304 GMT 25 Jul 90

[Text] Kuala Lumpur, July 25 (AFP)—A Royal Malaysian Navy assault boat with three officers on board has gone missing near the Layang-Layang atolls, part of the disputed Spratly Islands, a Defence Ministry statement said Wednesday.

The statement said the boat, carrying commanding officer Shamsuddin Abu Bakar and seamen Mohamed

Zain Bidin and Basri Arshad on a routine patrol, disappeared from the radar screen of the base on Layang-Layang on June 20.

The weather was good when the boat left the Layang-Layang atolls, about 160 kilometres (100 miles) north of Malaysia's Labuan Island off the north-west coast of Borneo Island, but turned bad later, the statement said.

The Defence Ministry said a massive search and rescue operation was launched immediately using three navy ships assisted by two aircraft from the Royal Malaysian Air Force and the Royal Australian Air Force. The ministry said it was continuing the search and rescue operation.

The Spratly Islands are claimed wholly and in part by China and Vietnam, who clashed over the strategic archipelago in 1988, as well as Taiwan, the Philippines and Malaysia.

Cambodia

Khieu Samphan Agrees to Inter-Cambodian Meeting

BK0308004590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 2 Aug 90

["Statement by His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea-";dated 2 Aug—read by announcer]

[Text] 1. The Party of Democratic Kampuchea, like the Cambodian national government, the Cambodian national resistance forces, and the entire Cambodian people, would like to express most profound and unforgettable thanks to the Association of Southeast Asian Nations [ASEAN] countries' governments for their constant assistance and support for nearly 12 years. The ASEAN foreign ministers joint statement dated 23 July 1990 has reaffirmed to continue this assistance and support to the Cambodian people's just cause for an independent, peaceful, neutral, nonaligned Cambodia, and for the Cambodian people's right to self-determination.

2. The Party of Democratic Kampuchea supports the principled stance of ASEAN and the UN Security Council's five permanent members on solving the Cambodian problem politically and comprehensively, namely a solution settling both the external and internal aspects at the same time, the withdrawal of all types of Vietnamese aggressor forces from Cambodia, a cease-fire, the gathering of troops, and the disarming of all four Cambodian parties to the holding of free elections, all this under the control of a UN international control mechanism and UN peacekeeping force.

3. The Party of Democratic Kampuchea supports the initiative of ASEAN and the UN Security Council's five permanent members on the establishment of a supreme national council, the only legitimate organ of Cambodia and the sole authority in the transition period, to represent Cambodia's independence, sovereignty, and national unity, and to cooperate with the United Nations in administering Cambodia in the interim period until the Cambodian people achieve their right to self-determination through free elections under UN control.

4. The Party of Democratic Kampuchea supports Samdech Norodom Sihanouk as supreme national council chairman.

5. The Party of Democratic Kampuchea supports the ASEAN countries and the UN Security Council's five permanent members on their proposal which states that no one Cambodian party would be allowed to seize or maintain power through the force of arms, that no one Cambodian party could dominate other Cambodian parties, and that no party is to be discarded.

6. In a spirit of national reconciliation to solve the Cambodian problem so that Cambodia quickly regains independence, peace, security, and durable stability, and so that peace and security in Southeast Asia and the Asia-Pacific region would be ensured, the Party of Democratic Kampuchea will sincerely and voluntarily take part in the meeting of all Cambodian parties within the framework of the Paris conference as stipulated by the 24-25 July ASEAN foreign ministers conference to discuss the supreme national council's composition in a reconciliation spirit to most speedily set up this council.

Pro-Sihanouk Groups Support UNSC's Statement

BK0308124990 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 3 Aug 90

[Text] The office of the personal representative of His Royal Highness Samdech Norodom Sihanouk in Cambodia and Asia said in a statement that the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] and the National Army of Independent Kampuchea [ANKI] fully support the summary of conclusions issued by the Big Five members of the UN Security Council [UNSC] at the 17 July meeting to give the United Nations a role in supervising elections and military coordination. This role is necessary for the verification of the withdrawal of all types of Vietnamese forces—ranging from Vietnamese army experts, army staff, armaments, ammunition, and war equipment—from Cambodia and the return of Vietnamese troops to their country. A UN role is also necessary for coordinating an interim authority administering Cambodia pending free elections.

The statement indicated that the FUNCINPEC and ANKI as well as a number of countries, governments, and voluntary organizations wanting to see an early peace restored to Cambodia always believe that only by giving the United Nations an enhanced role can a comprehensive political settlement be achieved to end the Cambodian conflict. This is also to restore peace, independence, sovereignty, national unity, and territorial integrity to Cambodia and to safeguard peace, security, and stability in the whole of Southeast Asia.

The statement underlined that the FUNCINPEC and ANKI were extremely pleased with the common view of the ASEAN foreign ministers to give the United Nations a role to play and ASEAN's correct stance on the creation of a supreme national council which will be not only the symbol of Cambodia's independence, sovereignty, neutrality, and democracy, but will also provide the opportunity to all Cambodian parties to arrive at a national reconciliation. The FUNCINPEC and ANKI will continue to steadfastly uphold the UNSC's 17 July Paris declaration. The statement added that if all the Cambodian parties and peace-loving countries supported the UNSC declaration, a comprehensive political settlement for Cambodia would certainly be reached in the near future. It said the FUNCINPEC and ANKI will endeavor to cooperate with the Big Five, the UN Secretary General, the ASEAN states, the co-chairmen of the Paris international conference on Cambodia, Australia, Japan, and other countries so as to achieve an early solution which will be endorsed by and acceptable to all the Cambodian parties.

The statement further said that Cambodian President His Royal Highness Samdech Norodom Sihanouk, in his letter dated 25 July to Indonesian Foreign Minister Ali Alatas, emphasized that he supported a UN interim administering authority which will be in charge of Cambodia in place of the UN-recognized Cambodian Government and the Vietnamese-installed Heng Samrin-Hun Sen regime during the transitional period in order to organize free elections in Cambodia.

The samdech stressed that the Cambodian Government and the Cambodian resistance upheld the resolutions on Cambodia adopted by the Big Five.

VONADK: World Supports Anti-SRV Struggle

BK0108045890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Jul 90

[Unattributed commentary: "The Vietnamese Aggressors and Their Puppets and Lackeys Continue To Oppose the Role of the United Nations and UN Peacekeeping Force in Solving the Cambodian Problem; So Why Are the Vietnamese Aggressors Negotiating With the United States?"]

[Text] In the past few days, Vietnam and its puppets and lackeys repeated over and over again how happy they are to be negotiating with the United States. What do the Vietnamese aggressors and their puppets and lackeys want to achieve in their negotiations with the United States? To solve and end Vietnam's war of aggression in Cambodia and restore Cambodia's independence and peace? Or to use the talks as a maneuver to prolong Vietnam's war of aggression and occupation in Cambodia?

To answer this question, the following can be asked: Do the Vietnamese enemy aggressors and their puppets and lackeys accept or oppose the United Nations? Do they accept or oppose the stationing of UN peacekeeping forces in Cambodia? They oppose this. The Vietnamese enemy aggressors and their puppets and lackeys categorically oppose UN control. They oppose this because Vietnam is still hiding tens of thousands of its aggressor troops in Cambodia. Vietnam has also successively brought in reinforcement aggressor troops to continue occupying Cambodia under the label of its puppets.

Thus, the intention of Vietnam and its puppets and lackeys in negotiating with the United States is not to solve and end Vietnam's war of aggression in Cambodia and restore Cambodia's peace and independence; instead, it is to serve as a maneuver in Vietnam's war of aggression and occupation of Cambodia under the name of the puppet regime in accordance with the policy and strategy of territorial expansion in Cambodia with the goal of setting up Vietnam's Indochinese federation.

However, the Vietnamese enemy aggressors and their puppets and lackeys certainly cannot realize this dark scheme because:

1. The Vietnamese enemy aggressors are being defeated in the war and have been bogged down for nearly 12 years; they are moving toward final defeat.

2. Vietnam's puppet and lackey regime is moving toward complete disintegration. Vietnam cannot save it; the Soviet Union cannot save it. Vietnam and the Soviet Union have been doing their best for nearly 12 years to prop up the puppet regime and use it as a tool of aggression in Cambodia. This has drained both the Soviet Union and Vietnam. However, the puppet regime still has not really become a concrete force. Now this puppet regime is at an impasse and is only waiting for its death. Thus, no one can save this Vietnamese puppet and lackey regime.

The Cambodian people have been valiantly and courageously struggling against and dealt successive blows on Vietnam's war of aggression and will completely defeat it. People throughout the world and the multitude of justice-, independence-, and peace-loving forces the world over continue to provide assistance to the Cambodian people's just struggle because they are well aware of the true nature of Vietnam's puppets and lackeys, traitors, and exterminators of the nation and people. They are also well aware of Vietnam's true nature as an aggressor who threatens security and stability in the entire region.

Artillery Position in Battambang Said Attacked

BK0308024390 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 2 Aug 90

[Excerpt] On the night of 28 July, the cooperative forces of our people, compatriot Cambodian soldiers, and our

Cambodian national resistance troops closed in on a Vietnamese enemy artillery position on National Route 5 in Samrong Commune and another Vietnamese enemy company position in Pou Muoy Daeum in Sisophon District, Battambang Province.

After a 15-minute battle, we completely destroyed and liberated these two positions. Three Vietnamese enemy soldiers were killed and five others wounded. We destroyed 21 assorted weapons, including a 76.2-mm artillery piece. Before destroying all these weapons, we turned the 76.2-mm gun around and fired 20 shells at the Sophi railway station, killing or wounding a number of other Vietnamese soldiers and puppet and traitorous troops of Hun Sen and Heng Samrin, lackeys of the Vietnamese enemy aggressors.

At the end of this victorious battle, our people and compatriot Cambodian soldiers returned home. [passage omitted]

VONADK on Gun Destroyed in Kompong Speu

BK0208024090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Aug 90

[Excerpt] On the night of 14 July, five compatriot Cambodian soldiers, forced to fight by the Vietnamese enemy aggressors and their puppets, lackeys, and traitors Hun Sen and Heng Samrin, in Vat Bak Kar position in Kong Pisei District, Kompong Speu Province, planted three mines underneath a 122-mm artillery piece of the Vietnamese enemy aggressors positioned at Vat Bak Kar.

The next day, 15 July, the Vietnamese enemy aggressors brought their soldiers to fire this artillery piece at our people's villages. When they started firing the mines exploded, rendering this gun useless and killing six and wounding four Vietnamese enemy aggressors. [passage omitted]

VONADK Notes Officers Killed in Kompong Thom

BK0108024290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Jul 90

[Excerpt] On 26 July, eight Cambodian soldiers in Kompong Thom provincial town lobbed three grenades at the dormitory of Vietnamese soldiers and puppet leaders and brutal traitors, Vietnam's lackeys, at the festival hall in Kompong Thom town, killing 10 Vietnamese soldiers and puppet and traitorous leaders, including three genuine Vietnamese battalion officers and a battalion officer of the puppet and traitorous troops, Vietnam's lackey, and wounding six others.

Afterward, the eight Cambodian soldiers fled Kompong Thom town for home, taking with them guns and hand grenades to join with the national resistance forces and our people in their localities to continue struggling against the Vietnamese enemy aggressors and puppets Hun Sen and Heng Samrin, traitors and Vietnam's lackeys. [passage omitted]

Resistance Says SRV Trucks Ambushed in Rovieng

BK3107044990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 30 Jul 90

[Excerpt] At 0815 on 21 July, six Vietnamese enemy trucks moving from Preah Vihear town along Route 12 were ambushed in Rum Chek area of Rovieng District, Preah Vihear Province. Three land mines were detonated, hand grenades were lobbed, and assault rifles and B-40 rocket launchers were fired at the Vietnamese enemy troops from the shrubbery on the other side of the route, killing Vietnamese and puppet soldiers one after the other. Those who survived the gunfire jumped into our spike pits, and 16 of them were killed or wounded. We destroyed eight guns and burned a truck and badly damaged another.

On the afternoon of the same day, an enemy battalion, rushing to the scene in a bid to pick up the corpses and tow away the damaged trucks, stepped on our land mines. As a result, five of them were killed; five others were wounded. [passage omitted]

Hun Sen Receives Visiting Australian Senator

BK3107062390 Phnom Penh SPK in English 0503 GMT 31 Jul 90

[Text] Phnom Penh SPK July 31—Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea [PRPK] Central Committee, chairman of the Council of Ministers and foreign minister of the State of Cambodia, received in Phnom Penh Saturday Australian Senator Chris Schact, who came to visit Cambodia from July 24-31.

On this occasion, Chairman Hun Sen warmly welcomed the guest's visit and informed him of the situation in Cambodia, particularly the settlement of the Cambodian issue.

Prime Minister Hun Sen also explained a number of points around the possibility of solving the Cambodian conflict, the role of the United Nations, and the supreme national council. He spoke of the process initiated by Senator Gareth Evans, foreign minister of Australia, describing it as an active move in the search for a solution to the Cambodian problem.

In reply, Senator Chris Schact highly appreciated the multiform achievements recorded by the party, government and people of Cambodia over the past decade and thanked Mr. Hun Sen for his explanation.

He pledged to inform the Australian senate and government of all the facts he had learnt here.

During his stay, Senator Christ Schact was also received by Mat Ly, Politburo member of the P.R.P.K. Central Committee and vice chairman of both the National Assembly and the Party Control Commission, Vice-Premier Kong Sam-ol, and Deputy Foreign Minister Sok An.

FRG Delegation Leaves After Week-Long Visit

BK0108055490 Phnom Penh SPK in English 0429 GMT 1 Aug 90

[Text] Phnom Penh SPK August 1—A delegation of the parliament of the Federal Republic of Germany headed by Ms. I. Walz, liberal M.P. and member of its Committee for Economic Cooperation, left Phnom Penh Monday after a week-long official visit to Cambodia.

While here, the FRG parliamentarians were received on separate occasions by Chea Sim, chairman of both the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland; Hun Sen, chairman of the Council of Ministers and foreign minister; and Mat Ly, vice chairman of the National Assembly and vice president of the Control Commission of the People's Revolutionary Party of Kampuchea Central Committee.

They visited the national museum, the former royal palace, the Tuol Sleng museum of genocide, the Cheung Ek mass graves, the Cuu Long orphanage in Phnom Penh, the rubber plantation in Kompong Cham, the vocational training centre in Battambang, and Angkor Wat temple in Siem Reap-Oddar Meanchey.

Phnom Penh Hosts Indochina Tourism Seminar

BK0108100390 Phnom Penh SPK in French 0327 GMT 1 Aug 90

[Text] Phnom Penh, 1 Aug (SPK)—A seminar among the General Tourism Departments of Cambodia, Vietnam, and Laos was recently held in Phnom Penh.

This was the first annual meeting at general departments level held following the meetings of the tourist services of Phnom Penh, Vientiane, and Ho Chi Minh City which were held in Phnom Penh in 1987 and 1988 and the third in Ho Chi Minh City in 1989.

During three days of work the seminar reviewed activities, first of all the results of the cooperation among the three general departments in the field of tourism, and set targets for the coming year.

It also stressed, for the promotion of tourism, the need to set up private tour agencies and restructure networks of hotels, restaurants, tourist sites, and transport.

It should be noted that in 1986 a bilateral agreement on tourist cooperation was signed between Phnom Penh and Ho Chi Minh City. In March the same year, another agreement was also signed between Phnom Penh and Vientiane. This agreement stipulates that Laos will organize visits to Cambodia for Lao and foreign tourists.

Revived in 1986, Cambodian tourism has become one of the country's biggest economic assets. On the other hand, the preservation and restoration of historic monuments have since the fourth and fifth congresses of the Kampuchean People's Revolutionary Party become one of the important tasks. As a matter of fact, following the appeal made by the Ministry of Culture in October 1980, the country has enjoyed the assistance of several fraternal countries and international organizations, including the Soviet Union, India, Poland, and the "CIDSE" [International Cooperation for Economic Development and Solidarity], in restoring the Angkor Wat temple, a part of mankind's heritage.

In Phnom Penh, the city's tourist service, "Phnom Penh Tourism," fit up the Boeng Kak site in 1988 in addition to the existing ones, namely the former royal palace, the silver pagoda, the national museum, the Tuol Sleng museum of genocide, and so on. The Cambodian Government, too, with investment by a Cambodian resident abroad, ordered the restoration of the "Cambodiana" motel (a former casino), which has just been partly opened with 100 rooms available for tourists.

Cambodia has many other sites and beautiful landscapes, including "Tonle Bati" in Takeo Province and Udong Hill (Kompong Speu Province), which are attracting an increasing number of both Cambodian and foreign tourists.

During the first half of this year, "Phnom Penh Tourism" and "Angkor Tourism" (Siem Reap-Oddar Meanchey Province) brought for the state an income of more than 203 million riel (Cambodian currency).

During the same period, some 20 foreign tour companies established cooperation with the General Tourism Department of Cambodia.

The latter, moreover, plans to restore other sites, such as the "Kep" seaside resort in Kampot Province and the beaches of Kompong Som.

SRV's Do Muoi Thanks Hun Sen for Message

BK3107073290 Phnom Penh Domestic Service in Cambodian 0430 GMT 31 Jul 90

[Text] Comrade Hun Sen, chairman of the State of Cambodia's Council of States, recently received a message of thanks from his Vietnamese counterpart Comrade Do Muoi. The message reads:

We are extremely touched to receive your sympathy for our people in the region affected by the flooding. The flood has caused great loss of life and property.

On behalf of the SRV Council of Ministers, the entire Vietnamese people, as well as the flood victims, I would like to convey to you, the Cambodian Government, and the brotherly Cambodian people our sincere and profound thanks.

Bou Thang Honors Cambodia, SRV War Invalids

BK0208105590 Phnom Penh Domestic Service in Cambodian 1300 GMT 1 Aug 90

[Summary] On the morning of 1 August, a mass meeting was solemnly held at the Ministry of Social Affairs and Invalids to mark the eighth and 43d anniversaries of the Cambodian and Vietnamese War Invalids Days respectively. "Present in the presidium, on the Cambodian side, were General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces [CPAF]; Koy Buntha, member of the party Central Committee and minister of the Social Affairs and Invalids; Lt. Gen. [Lieutenant General] Nhim Vanda, member of the party Central Committee, deputy Defense minister, and chief of the CPAF General Logistics Department; and Soy Siphon, alternate member of the party Central Committee and vice chairman of the Cambodian Federation of Trade Unions. On the Vietnamese side were (Tin Ho), adviser of the SRV Embassy to Cambodia, and Col. [Colonel] (Tran Van Lang), military attache of the Vietnamese Embassy to Cambodia."

Honorary guests were deputy ministers, cadres, and staff from the ministries and offices at the central level; representatives of the CPAF and of the Cambodian and Vietnamese war invalids; as well as many delegates of the families of fallen and disabled combatants.

On the occasion, Koy Buntha began his speech by recalling the everlasting close ties and effective cooperation between the State of Cambodia and the SRV. He said that "Cambodia and Vietnam have the traditional solidarity to actively assist each other in their courageous fights to stamp out the old and new colonialists, in particular the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime, which is the common enemy of the Cambodian people, scoring significant and remarkable victories" and restoring national independence to both countries and freedom, equality, and happiness to the Cambodian and Vietnamese peoples. He thanked, extolled, and expressed gratitude to the Cambodian and Vietnamese wounded and disabled combatants for their heroism; their loves for the motherlands, peoples, and revolutions; and their great sacrifices of all kinds for the sake of the two nations' survival and prosperities and for the peoples' freedom and well-being.

On the issue of the Cambodian war invalids and their families, he said, "The party and state have continuously issued circulars and decisions calling for attention to implementing the policy toward the compatriot war invalids with a view to meeting their urgent needs, avoiding leaving them out of hope." He stressed that the party and state have been deploying all-out efforts in improving the war invalids' living conditions in all fields "because this is a very important task for the party and state in this new stage of history where the CPAF has been fully assuming the national defense task themselves."

In his address, Bou Thang urged the audience to effectively and successfully implement the party's and state's circulars and decisions on the policy toward the fallen and disabled combatants and their families by adequately providing all types of support and assistance to them in their everyday lives as well as their production works.

Taking the floor, the Vietnamese military attache expressed deep gratitude to the Cambodian and Vietnamese war invalids who had made the sacrifices of their flesh and blood to the cause of the countries' independence and the peoples' happiness.

The meeting ended in an atmosphere of cordiality, solidarity, and friendship.

Paper Marks Cambodian, SRV War Invalids Day

BK3107132990 Phnom Penh Domestic Service in Cambodian 2300 GMT 30 Jul 90

[PRACHEACHON editorial: "Always Express Everlasting Gratitude to the Noble Heroism of Cambodia and Vietnam's Fallen, Wounded, and Disabled Combatants"]

[Text] July 27 and 31, 1990 are the eighth and 43d anniversaries that the entire party, Armed Forces, and people celebrate with the greatest sense of gratitude toward Cambodia and Vietnam's fallen, wounded, and disabled cadres and combatants.

In order to firmly defend the country and bring development and prosperity to the nation, no means is more effective than the sacrifices made in blood and flesh by our courageous Cambodian sons. Before the 26 September 1989 event [the withdrawal of Vietnamese troops from Cambodia], many great sacrifices of the heroic Cambodian People's Armed Forces and those of the heroic Vietnamese volunteer troops were made in their close cooperation in smashing the three enemy groups and causing them serious defeats.

The great fighting spirit and the pure sense of patriotism in addition to the invaluable spirit of internationalist solidarity enabled our Armed Forces to win victory after victory on every battlefield. Stemming from this patriotic desire, a number of our cadres and combatants perished or have become wounded and disabled because of the three reactionary Khmer groups' stubborn insistence on continuing to kindle the flames of war.

Our heroic sons sacrificed their lives without regret in the resolute determination to offer their lives, endure hardship, and overcome all obstacles for the survival of the land of Angkor. The victories won from the sense of sacrifice of the heroic Cambodian People's Armed Forces made it possible for our national society to progress, thereby creating favorable conditions for our

Vietnamese volunteer comrades-in-arms to completely pull out of Cambodia. After departing, our comrades-in-arms have left behind many feats of arms for our Armed Forces to emulate.

Commemorating these days full of noble significance, the entire party, government, Armed Forces, and people would like to bow down in tribute and express everlasting gratitude for the brilliant services rendered by the heroic fallen, wounded, and disabled combatants of Cambodia and Vietnam, inscribing them permanently in our hearts.

In order to show gratitude, our entire party, government, and people have paid close attention to the living conditions of wounded and disabled combatants through a policy of providing them with timely material and moral support. All levels and sectors of party, government, front, and mass organizations have contributed to this sacred cause, sending out joint delegations to visit them at hospitals, centers, and homes and providing various types of goods for wounded or disabled combatants, thus winning their trust and confidence.

Concerning their families, although the issuance and distribution of ration booklets has not yet been completely carried out, generally speaking, all levels and sectors concerned have made their best efforts to disburse and distribute money and materials in time. As for the children of fallen, wounded, and disabled combatants, they have been given opportunities to enroll in various schools. A large number of disabled combatants have been provided with professional training by our party and government according to their capabilities and potentials, thus giving them a second chance in their livelihood.

One thing that calls for additional attention at all levels and sectors is that the implementation of the policy toward the fallen, wounded, and disabled combatants has not yet been a complete success. The transfer and handing over of aid materials and the administration of fallen, wounded, and disabled combatants remain slow and lax. The party committees, authorities, and institutions concerned, such as the Armed Forces and the War Invalids and Social Affairs Ministry, should pay more attention to it and take extra care in handling it.

May the spirit of the anniversaries of the heroic Cambodian-Vietnamese fallen, wounded, and disabled combatants of 27 and 31 July live forever and become a source of energy that would whip up the hatred for the enemy and enable all Cambodian combatants and people to clearly see that the process of our struggle remains a winding one because the genocidal faction lacks the goodwill to end the massacre of our innocent people. They force us to take up arms and fight to protect the lives of the people, defend the national interests and revolutionary gains, and prevent the return of the genocidal Pol Pot regime. We do not accept the Pol Pot slaughtering horde. We pledge to fight and join hands in strengthening and building the Armed Forces and the militia and police forces even more vigorously in order to advance toward seizing genuine victory from the enemy.

The entire party, Armed Forces, and people pledge to spare no efforts and participate in the struggle to defend our motherland. The party, government, and people would like to express everlasting gratitude for the exemplary heroism of our courageous sons and to enhance attention on implementing the policy toward the fallen, wounded, and disabled combatants and their families, by creating all favorable conditions for them and providing them with vocational training, care, and support—both material and moral—so they can enjoy a better life. Their children will also be given opportunities to enroll in all schools. Wherever there are fallen, wounded, and disabled combatants, there must be wholehearted care from the party, authorities, people, and mass organizations at all levels and particularly a campaign must be organized to sweep and dress up the tombs of fallen soldiers.

Tie Banh Delivers Message on Invalids Day

BK0308061390 Phnom Penh Domestic Service in Cambodian 1200 GMT 2 Aug 90

["Message from Defense Minister General Tie Banh to sick and disabled cadres and combatants and families of fallen combatants"; date not given—read by announcer]

[Text] On the eighth anniversary of the day to remember the deeds of fallen and disabled combatants of our Cambodian people's Army, on behalf of the Defense Ministry and in my own name, I would like to express sincere and profound thanks, convey warm greetings, and wish all the best to the sick, wounded, and disabled comrade cadres, combatants, militiamen, and defense workers, and the families of fallen combatants who have sacrificed their emotions and new flesh and blood, been killed or wounded, or have become disabled in the cause of defending and building the motherland and our people's peaceful life.

For more than the past 11 years, our army and people have firmly united around the leadership of the Kampuchean People's Revolutionary Party; resolutely opposed; and courageously fought to topple the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime. They continue to firmly defend national gains, national independence, and the people's peaceful life and prevent the recurrence of the danger of the genocidal regime's return while in the process of assuming their revolutionary tasks following the withdrawal of all Vietnamese volunteer troops from Cambodia.

In this noble, honorable struggle, our comrade cadres, combatants, and people have valiantly made sacrifices. Some have died and others have been wounded and disabled. A number of families have lost their beloved sons, brothers, and husbands in the cause of the nation and the people. Although the comrades have sacrificed flesh and blood and emotions for the motherland, all the comrades have preserved the fine tradition and are worthy of being an army born from the people and genuinely fight for the people and the nation.

The party, state, and people will always remember this great, precious, and invaluable deed of all the comrades. Our cadres and combatants, who are taking over the struggle from the comrades, pledge that as long as the genocide danger continues to threaten our people's peaceful life, we will continue to fight, and fight resolutely to smash and completely defeat the enemy so that the motherland and the people can truly live peacefully.

Once again, on behalf of the party, state, and the Defense Ministry, I would like to wish hospitalized sick, wounded, and disabled cadres, combatants, militiamen, and defense workers a quick recovery to return to continue their missions in their units. I would like to wish good health and happiness to the families of fallen combatants who have sacrificed their beloved husbands, sons, and brothers for the cause of the nation and the motherland.

Chea Sim Addresses Opening of Assembly Session

BK0308053790 Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Aug 90

[Text] The 19th session of the State of Cambodia's National Assembly was solemnly opened at the office of the National Assembly on the morning of 2 [as heard] Aug.

Presiding over this occasion were Comrade Chea Sim, member of the party Central Committee Political Bureau, chairman of the National Assembly, and deputy for the Prey Veng constituency; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and deputy for the Kompong Cham constituency; Comrade Nu Beng, vice chairman of the National Assembly, chairman of the Assembly's Cultural and Social Affairs Commission, and deputy for the Ratanakiri constituency; Comrade Men Chhan, chairman of the Assembly's Economic, Planning, and Budgetary Commission, and deputy for the Kompong Cham constituency; Comrade Kham Len, chairman of the Assembly's Nationalities Commission, and deputy for the Ratanakiri constituency; Comrade Chem Snguon, chairman of the Assembly's Legislative Commission and deputy for the Prey Veng constituency.

Also present were Assembly members from the 20 constituencies, many Cambodian residents abroad, and diplomats and charge d'affaires from various embassies accredited to Cambodia.

On this occasion, Comrade Chea Sim pointed out that the period between the 18th and 19th sessions is an important one in which our army and people have opposed and thwarted attempts by all types of enemies [passage indistinct] a constructive atmosphere of the U.S. Government in the search for a political solution based on the prevention of the genocidal Pol Pot regime's return and the implementation of the Cambodian people's right to self-determination through free elections in Cambodia. Comrade Chea Sim called on all Assembly members to further heighten efficiency in their work in the new phase to enable the legislative and executive institutions and the court to vigorously carry out their work in accordance with the role and duties set out in the state constitution, to cooperate, and to provide mutual assistance aimed at increasing the ability to administer the state, society, and the economy, and also at increasing the people's confidence in our new regime.

The session adjourned at 1100 and will continue this afternoon.

SPK on Battle Activities in Banteay Meanchey

BK0308060190 Phnom Penh SPK in English 0437 GMT 3 Aug 90

[Text] Phnom Penh SPK August 3—In the last dry-season the government forces in Banteay Meanchey Province, 360 km northwest of Phnom Penh, in close cooperation with the local militiamen, wiped out 649 enemy troops, including 215 ex-Polpotists, 290 ex-Sereikans [Son Sann's partisans], and 144 ex-Moulinakans [Sihanouk's partisans], and wounded 265 others.

They also seized 175 assorted guns, 35 tons of ammunition, five walkie-talkies, and a quantity of other war means.

In the meantime, 667 enemy troops deserted their ranks and crossed over to the community, bringing along 437 firearms and some ammunition.

Enemy Troops 'Wiped Out' in Various Localities

BK0108061490 Phnom Penh SPK in English 0426 GMT 1 aug 90

[Text] Phnom Penh SPK August 1—According to military sources, in the week ended on July 21, the Cambodian Government forces wiped out 332 enemy troops, forced 108 to surrender, and captured 19 others in several skirmishes in northwestern border areas.

They seized 158 guns of various calibers and a good quantity of other war means, and destroyed two mortars.

—Since the beginning of this rainy season, the Armed Forces of Takeo Province in close cooperation with the Armed Forces of Kampot and Kompong Speu Provinces, killed 91 enemy troops, captured two, and seized 14 assorted guns and a number of other war materials.

—From the beginning of the last dry season, the Armed Forces of Prey Vent Province put out of action 122 enemy troops, including 27 killed, 30 wounded and 40 others forced to surrender during ambushes around Phnom Srok District, Banteay Meanchey Province.

The government troops seized 38 firearms, six anti-tank mines, and destroyed one arms depot.

Phnom Penh Reports 102 Enemy Soldiers Killed

BK3107073390 Phnom Penh Domestic Service in Cambodian 1200 GMT 30 Jul 90

[Text] During the first six months of the year, the Armed Forces in Ratanamondol District of Battambang Province, in their ambushes and sweeping operations against the enemies, killed 102 and wounded 38 enemy soldiers. They seized 42 assorted guns and over 18 tons of ammunition, and destroyed five lairs of underground enemies, some medicines and foodstuffs, and a great deal of ammunition.

Moreover, the district and provincial police forces conducted 21 mopping-up operations and ambushes against the enemy soldiers in Ratanamondol District, killing 13 enemy soldiers and wounding seven others.

As for the proselytization movement, the local authorities received 11 misled persons who cut loose from the Polpotist camp and brought along seven firearms. Furthermore, the inhabitants unearthed 96 guns from enemy arm caches.

SPK Says Takeo Forces Kill 91 Enemy Soldiers

BK3107131690 Phnom Penh SPK in French 1055 GMT 31 jul 90

[Text] Phnom Penh, 31 Jul (SPK)—During their mopping-up operations launched in Takeo Province at the beginning of this year's rainy season, the provincial people's Armed Forces put out of action 93 enemy soldiers, including 91 killed on the spot and two captured. The also seized 14 assorted weapons and a considerable amount of ammunition.

Battle Actions in Banteay Ampil District Noted

BK0108024690 Phnom Penh Domestic Service in Cambodian 1200 GMT 31 Jul 90

[Text] The armed units in Banteay Ampil District of Banteay Meanchey Province recently cooperated with the regular Armed Forces stationed in the district in launching search-and-destroy operations against enemy troops, crippling them one after the other.

As a matter of fact, in the first half of the year, the combined forces in Banteay Ampil District engaged in 18 clashes with enemy troops. We killed 49 enemy soldiers on the battlefield, wounded 66, and forced four others to surrender. We seized eight firearms, including three antitank rocket launchers, and 5,070 rounds of different types of ammunition.

SPK: Battambang Receives 183 Misled People

BK0108074690 Phnom Penh SPK in French 0337 GMT 1 Aug 90

[Text] Phnom Penh, 1 Aug (SPK)—Battambang Province, 300 km northwest of Phnom Penh, welcomed 183 returnees during the first half of this year. This includes 160 Polpotists, who brought along 84 assorted firearms and other war means.

During the same period of 1989, 332 troops in the enemy ranks reported themselves to the authorities of Battambang Province, bringing with them 206 rifles.

Misled People Rally to Nation in Kompong Thom

BK0108061690 Phnom Penh SPK in English 0419 GMT 1 Aug 90

[Text] Phnom Penh SPK August 1—In the month to July 15, 27 misled people deserted their ranks and reported themselves to the authorities in Kompong Thom Province, 150 km north of Phnom Penh.

The returnees included 22 ex-Polpotists and five ex-Sihanoukists, who brought along 13 assorted guns and a number of other war means.

—In the first two weeks of July, 21 misguided people deserted their ranks and reported themselves to the authorities in Kompong Svay District, same province, bringing along 12 firearms and a quantity of other war means.

In the first six months of this year, the provincial authorities received a total of 166 returnees who handed in 90 guns of various calibers and a large number of other war materials. They included 101 ex-Polpotists, 47 ex-Sihanoukists and 18 ex-Sonsannians.

Red Cross Aids 6,716 Families in Battambang

BK2907105190 Phnom Penh Domestic Service in Cambodian 2300 GMT 28 Jul 90

[Text] During the first half of this year, Battambang Province's Red Cross, in close cooperation with the Cambodian Red Cross, distributed 150 metric tons of rice, (?10 million) riels, and a large quantity of commodities and daily needs as aid from the Council of Ministers. The province's Red Cross also distributed 400 bundles of clothings as aid from the Cambodian Red Cross and 10 metric tons of rice and over 3,000 bundles of daily needs as aid from the province to 6,716 families of war refugees. The Battambang Red Cross also distributed aid from the province—110 metric tons of rice strains, 7,700 liters of fuel oil, and over 37 metric tons of phosphate fertilizer—to these families for use in a production drive in this year's rainy season.

Thanks to this aid, by the end of June, the war refugees in the province tilled over 1,400 hectares of land and sowed over 700 hectares of rice.

Correction to VONADK Comments on Shift

BK0108040190

The following corrections pertain to the item subheaded "VONADK Comments on Shift" under the headline "More on Resistance Reaction to U.S. Policy," published in the 30 July East Asia DAILY REPORT, page 48:

Column two, complete paragraph three, first sentence, make read: ...DK has no reason other than to side with the West.... (supplying missing words "other than")

Column two, complete paragraph three, second sentence, make read: ...It also advocates a great national unity.... (rewording)

Indonesia

Suharto Hopes Iraq, Kuwait Negotiate Again

BK0308103590 Jakarta ANTARA in English 0923 GMT 3 Aug 90

[Text] Jakarta, Aug 3 (OANA/ANTARA)—President Suharto on Friday hoped Iraq and Kuwait would immediately get back to the conference table for solving the conflict between them.

The Indonesian expectation was disclosed by Foreign Minister Ali Alatas after he and Minister/State Secretary Murdiono and Mines and Energy Minister Ginanjar Kartasasmita consulted with the head of state at his Jalan Cendana mansion here Friday on the conflict between the two Arab countries.

When speaking about the latest development of the relations between Kuwait and Iraq, Alatas said Indonesia deeply regretted that the dispute has worsened and developed into an armed clash.

Iraqi troops and tanks invaded Kuwait Thursday.

The Indonesian concern is closely connected with the fact that the belligerents are fellow members of the Organization of Islamic Conference (OIC), which made it all the more necessary to promote Ukuhuwah Islamiyah, brotherhood among all Muslims.

On top of that, as fellow members of the Nonaligned Movement, the two Gulf countries are also obligated to uphold the principles of peaceful coexistence and respect for the sovereignty and freedom of others.

Indonesia, Alatas said, would continue monitoring the developments of the conflict, which is likely also on the agenda of the ongoing OIC ministerial conference in Cairo, Egypt.

Minister Cautions OPEC on Iraq-Kuwait Dispute

BK0308094790 Jakarta ANTARA in English 0900 GMT 3 Aug 90

[Text] Jakarta, Aug 3 (OANA-ANTARA)—Indonesia expressed its hopes that the OPEC countries would refrain from taking unilateral advantage from the Iraq-Kuwaiti conflict, for instance through flooding the oil market or causing scarcity of oil, Mines and Energy Minister Ginanjar Kartasasmita told reporters here on Friday. He made this statement after he, Foreign Minister Ali Alatas and Minister/State Secretary Murdiono, had a meeting with President Suharto at the Jalan Cendana Presidential residence to brief the head of state about the latest developments in the Iraq-Kuwaiti conflict.

Minister Alatas said to the press after the meeting with the president that Indonesia regretted that the dispute had deteriorated into an armed conflict.

"Whatever might happen between the two countries, the other (OPEC) countries should refrain from taking unilateral stands which might change the oil price, for instance through reduction in production which would raise the oil price even more or influencing it in the wrong way by flooding the market," Ginanjar Kartasasmita asserted.

He further pointed out that to solve the problem, OPEC should take common stand. But for the time being, he said, no proposals for an emergency meeting were forthcoming.

He further said that the OPEC wanted an improvement in the crude oil price, but this should be achieved through abiding by the production quota and not because of accidents or international conflicts.

Speaking on the impact of the conflict, Ginanjar said that on short term the price of crude would go up.

An increase in price would certainly benefit Indonesia and the other oil producing countries, but it is our hope that improvement should come from the effective implementation of the OPEC agreement, he stressed.

Murdiono Discusses Agenda for Li Peng's Visit

BK0308102590 Jakarta ANTARA in English 0923 GMT 3 Aug 90

[Text] Jakarta, Aug 3 (OANA-ANTARA)—President Suharto and Chinese Prime Minister Li Peng are scheduled to hold talks on Tuesday, August 7, here, while on the next day the two countries' foreign ministers will sign a document on the reopening of diplomatic relations between Jakarta and Beijing, it was announced here Friday.

Minister/State Secretary Murdiono said after paying a call on President Suharto at his Jalan Cendana Mansion that ministers and officials of the two governments would also hold a separate discussions [as received] when the two leaders hold their official discussion at the Merdeka Palace. He also said that the two governments would also sign a memorandum of understanding (MOU) on trade. According to Murdiono, Minister Alatas would sign the MOU on behalf of the Indonesian Government.

Minister Murdiono further disclosed that the Chinese leader is expected here on Monday afternoon and on Tuesday evening Prime Minister Li Peng would attend a state banquet hosted by President Suharto at the State Palace.

Premier Li Peng is scheduled to give a press conference on Wednesday, August 8, followed by a meeting with about 200 selected figures representing various circles.

On Thursday, the Chinese leader and entourage will take leave of President Suharto before proceeding to Bandung to closely observe the Asia-Africa Museum and visit the Indonesian aircraft industry IPTN. From Bandung Premier Li Peng will proceed to Bali before returning home on Friday.

During his trip to regions, the Chinese leader will be accompanied by Minister Alatas.

Suharto Receives Somali Envoy; Views Apartheid

BK0208085590 Jakarta ANTARA in English 0816 GMT 2 Aug 90

[Text] Jakarta, Aug 2 (OANA/ANTARA)—President Suharto has stated that Indonesia was deeply concerned over the ongoing suppression of the African people by South African regime since the Indonesian people had similar experience on the bitterness of such a suppression. The preamble of our Constitution says that colonialism should be banished from all over the world as it is against humanism as well as justice, the president said after he received credentials from the ambassador of the Republic of Somalia [name not given] here Thursday.

This reflects our people's belief in the importance of eradicating colonialism, President Suharto said, adding that the Indonesian people's struggle for independence gave more experience and understanding on the bitterness of the colonial rule.

Therefore, he said, Indonesia always has no doubt to support and be at the side of every struggle against colonialism. Indonesia's firm stand is reflected by its support on the South African people's struggle for the banishment of apartheid and, in turn, a chance would come for the development of democratic and nonracial society in South Africa.

Referring to relations between Indonesia and Somalia, the president said that ties between the two nations could still be improved through the United Nations, the Nonaligned Movement, the Islamic Conference Organization, and other world forums.

Decoder System for TV Programs To Be Abolished

BK2907102590 Jakarta THE JAKARTA POST in English 16 Jul 90 p 7

[Text] Jakarta (JP): Decoders will no longer be necessary for reception of programs broadcast by privately-run commercial television stations as of August 24, the 28th anniversary of state-run TVRI [Television of Republic of Indonesia] Minister of Information Harmoko says.

Harmoko told reporters after a meeting with President Suharto over the weekend that the decoders would be withdrawn not only from the commercial station in Jakarta, but from Similar TV stations in Denpasar, Bali, Surabaya, East Java and Bandung, West Java. He said President Suharto had approved the plan.

The decoders were being dispensed with in order to allow wider access to information and knowledge vital to the public, ANTARA NEWS AGENCY quoted the minister as saying.

"This has not been decided because the private commercial stations have been suffering losses," Harmoko clarified in response to reporter's questions.

Asked whether the privately-owned TV stations would not lose money with the withdrawal of the decoders for which subscribers pay a monthly fee, Harmoko responded in the negative. "In fact, with the withdrawal of the decoders and the availability of the broadcasts to a much wider segment of society the private stations are expected to receive more advertisements," he said. Broadcasts by the private stations would continue to be localized around major cities.

He further said state-run TVRI would continue its policy of not running commercial advertisements during its broadcasts, but would receive a percentage of revenues derived from advertising on the commercial stations. "The percentage to be paid is still under negotiation," he explained. "The funds derived will be used for the expansion and development of TVRI programming."

The President agreed to these plans, but expected the acquired funds would be used to improve the quality of TVRI's broadcats, as well as for the promotion and enhancement of the nation's cultural values, Harmoko said.

"This new policy also means that the privately-run stations will have to reduce the number of foreign programs or films presented on their stations," Harmoko clarified. In response to reporters' questions the minister said RCTI [Rajawali Citra Television Indonesia private station] would be expected to produce more of its own programs with the increased income expected from more advertising.

The private stations, however, would be required to limit broadcasts of commercials to 20 percent of programming, Harmoko said. He clarified that this policy was meant to limit the impact of the advertising in terms of increased consumerism in society.

"The broadcast of ads should not cause a negative social impact," Harmoko emphasized.

Laos

Statement 'Deplores' Iraqi Invasion of Kuwait

BK0308125490 Vientiane Domestic Service in Lao 1200 GMT 3 Aug 90

[Text] The Foreign Affairs Ministry of the Lao People's Democratic Republic [LPDR] has issued a statement on Iraq's invasion and occupation of Kuwait.

The statement reads:

According to foreign news sources, on 2 August 1990, the tank-led Iraqi armed forces launched an invasion against Kuwait under the pretext of settling the conflict between the two countries. The LPDR Government deplores Iraq's use of force to settle its conflict with another sovereign country—an act which runs counter to the principles stipulated in the international law and the UN charters. The LPDR calls for the immediate withdrawal of foreign troops from Kuwait so that ways can be sought to settle the conflict through political means. Such an act constitutes a serious threat to peace and stability in the region and the world.

Japan's Foreign Minister Arrives, Signs Accords

BK0208144990 Vientiane Domestic Service in Lao 1200 GMT 2 Aug 90

[Text] The delegation of the Japanese Government led by His Excellency [H.E.] Taro Nakayama arrived in Vientiane at noon today for a two-day friendship visit to the Lao People's Democratic Republic [LPDR] at the invitation of H.E. Phoun Sipaseut, vice chairman of the Council of Ministers and foreign affairs minister of the LPDR. On hand at Wattai Airport to welcome the delegation were H.E. Phoun Sipaseut and a number of high-level cadres. Japanese Ambassador to Laos Shigemi Ando was also at the airport to welcome the delegation.

After laying a wreath at the monument of revolutionary fighters at 1445, the delegation of the Japanese Government led by H.E. Taro Nakayama at 1500 met and held talks with the delegation of the Lao Government led by H.E. Phoun Sipaseut. On the same occasion, the foreign affairs ministers of the two countries signed three exchange documents. According to the signed documents, the Japanese Government has agreed to give assistance to Laos for three projects: the project to repair the fourth generator at the Nam Ngum hydroelectric dam, the project to rehabilitate and develop agriculture in Vientiane capital, and the project to abolish debts incurred in the construction of the Nam Ngum dam within the first six months of 1990. The total assistance is worth 1 billion [currency not specified] and 636,630,000 yen.

In speaking at the signing ceremony of the exchange documents, Japanese Foreign Affairs Minister H.E. Taro Nakayama said:

I hope that the cooperation in the three projects will contribute to Laos' construction and development. The agreement on the comprehensive development in areas around Vientiane is helpful for the development in agriculture, which is the principal sector of the LPDR. I think that the construction of the irrigation system in the capital and in the rural areas in its vicinity, which is aimed at increasing the production forces in the agricultural sector, will become a strong foundation for boosting agricultural production. With regard to the Nam Ngum hydroelectric dam repair project, because electricity generated from this dam is utilized both by Laos and Thailand, I therefore hope that after the repair of the generator at the Nam Ngum dam is completed, it will continue to benefit the livelihood of the people in this region. In addition, the assistance in eliminating debts is aimed at reducing Laos' debt payment burdens and, at the same time, at using aid funds for purchasing the necessary equipment and materials for the development of the economic sector and for improving the welfare of the Lao people.

H.E. Taro Nakayama stressed: I am convinced that this cooperation will contribute to increasing Lao-Japanese friendship and to strengthening mutual understanding between the peoples of the two countries.

On the same occasion, H.E. Phoun Sipaseut, vice chairman of the Council of Ministers and foreign affairs minister of the LPDR, also delivered a speech. He said: The signing of these documents is very significant politically because it occurs at a time of profound significance when Your Excellency is leading the Japanese Government delegation to pay the first ever high-level visit to the LPDR. At the same time, it also marks our profound determination to further promote mutual understanding and extensive cooperation in various fields between the two countries. All the projects we have signed together are within the scope of our national economic development program. They will become a great contribution in bringing a new and better life to the Lao people. I would like to take this opportunity to convey the profound thanks of the Lao Government and people to the Japanese Government and people for consistently and attentively giving invaluable and effective assistance and cooperation to our people.

H.E. Phoun Sipaseut stressed: We have far-reaching hope about the new era of friendship and cooperation between Laos and Japan, which was marked by the visit of historic significance made by Chairman of the Council of Ministers Kaysone Phomvihan to Japan in November 1989. I believe that the visit to the LPDR by Your Excellency and your party will become a symbol of a new development in making the two countries and peoples of Laos and Japan move closer together, understand each other better, and firmly trust each other.

Meets Phoumi Vongvichit

BK0308030790 Vientiane Domestic Service in Lao 0000 GMT 3 Aug 90

[Text] Yesterday afternoon, His Excellency Phoumi Vongvichit, acting president of the Lao People's Democratic Republic, received at the Presidential Office in Vientiane a courtesy call from a Japanese Government delegation led by His Excellency Taro Nakayama, foreign affairs minister of Japan. The delegation is currently on a visit to Laos.

On this occasion, His Excellency Phoumi Vongvichit much appreciated the visit to Laos by the Japanese Government delegation. He said that the visit will contribute to promoting, establishing, and improving with each passing day the relations and cooperation between Laos and Japan in many fields. His Excellency Phoumi Vongvichit expressed thanks to the Japanese Government for its assistance to Laos in building and developing the country in various fields in the past as well as in the present. He also wished the Japanese Government delegation glorious success in the visit to Laos on this occasion.

Feted by Phoun Sipaseut

BK0308061190 Vientiane Domestic Service in Lao 0000 GMT 3 Aug 90

[Text] Yesterday evening, His Excellency Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, held a banquet at Lan Xang Hotel in Vientiane in honor of His Excellency Taro Nakayama, foreign affairs minister of Japan, who is currently leading a Japanese Government delegation official friendship visit to the Lao People's Democratic Republic [LPDR].

In his speech at the banquet, His Excellency Phoun Sipaseut, first, highly assessed the visit by His Excellency Taro Nakayama, the first by a high-level Japanese Government delegation since the establishment of the LPDR. He said: the visit is considered a significant event in the friendly relations between the Lao and Japanese peoples. It also reflects the Japanese Government's desire to increasingly strengthen long-standing bilateral relations and extend cooperation between the two countries in many fields. His Excellency continued:

[Begin Phoun Sipaseut recording] Your Excellency, looking back on the previous years, I am pleased to note that Lao-Japanese relations have always developed positively on the basis of mutual understanding and respect, friendship and cooperation. Japan has maintained a significant role and was among the first countries to have contributed to the development our country since the initial establishment of the LPDR. The recent visit to Japan by Kaysone Phmvihan, chairman of the Council of Ministers, marked a significant milestone in the history of our bilateral relations. Following the visit, we have reached agreements on many economic development projects. We have also discussed other (?construction) projects, and, as a result, Japanese volunteers have been sent to Laos. This has engendered high hopes for future relations. It has also created a significant basis for the realization of benefits for our two countries. I would like to avail myself of this glorious occasion to express sincere thanks to the government and people of Japan for having rendered precious and highly effective assistance to our country.

Your Excellency, over the past year, the LPDR has made considerable achievements in carrying out development. Our LPDR government has switched to a new economic management mechanism and is continuing to pursue the policy of broadening foreign economic and trade relations aimed at promoting foreign investments in Laos. Simultaneously, we have consolidated the law by establishing a draft constitution that will be presented to the chairman of the Supreme People's Assembly for consideration and approval by the end of this year. All these are aimed at turning the natural economy into a goods-oriented economy. We see various friendly countries, particularly Japan, as being able to contribute to the economic development of Laos on the principle of mutual benefit. The LPDR government hails the positive efforts of the Japanese Government, as well as Your Excellency, in seeking peace and stability in Southeast Asia, in particular in seeking ways to settle the Cambodian problem politically by recently hosting the Tokyo meeting—the meeting which has brought about progress in finding ways to solve the issue. We are convinced that Japan will continue to play its creative role to help turn Southeast Asia into a region of peace, friendship, stability, and cooperation.

Your Excellency, distinguished guests: The friendly relations between Laos and Japan can be compared to a tree whose roots have firmly been anchored in the ground, as assessed by the prime ministers of our two countries. I, therefore, hope this visit by Your Excellency and delegation will be a new step in the strengthening, promotion, and expansion of the time-honored fine relations and that it will further strengthen and fruitfully expand the cooperation between our two countries for the benefit of the two peoples. [End recording]

In his reply speech, His Excellency Taro Nakayama, first of all, expressed sincere thanks to His Excellency Phoun Sipaseut for organizing a grand banquet for him. He said: Today, the aspiration I have harbored for many years has been realized. I am elated and proud to have the opportunity to walk, for the first time, on the land of Laos—the well-known land of a million elephants as told by the Lao people in their tales. Lao-Japanese relations have explicitly improved in the previous years. Of note is the visit to Japan by His Excellency Kaysone Phomvihan, chairman of the LPDR Council of Ministers, in November last year. The visit made a great impression on the Japanese nation and people. It has also genuinely ushered in a new era of Japanese-Lao relations. Though the visit was six months [duration as heard] ago, it is still fresh in my memory. I am myself visiting the LPDR now as Japanese minister of foreign affairs. I am, therefore, profoundly considering the significance of my role in this visit in the efforts to increasingly promote the relations between the two countries—Japan and Laos.

Your Excellency Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs: Your visit to Japan some two years ago marked a great turning point that has brought about the expansion of Lao-Japanese relations. I myself am pleased to exchange views in a straightforward and significant way with Your Excellency, who is sincere and has paved the way for the continued improvement of relations between our two countries.

In the past, Lao and Japanese relations were not very close. The spiritual bond between the people of Laos and Japan, however, has been deep. Laos and Japan are rice-growing countries, and the two peoples believe in Buddhism. Besides, traditional songs and dance popular among the Lao people have also been popular in Japan for a long time. This tradition has been maintained in certain regions of Japan up till now. Recently, Japanese have begun to be interested, largely, in wide cultural contacts and relations with the Southeast Asian region. The trend for fine relations has also emerged with Laos as well as with other countries. The maintenance of joint cultural and spiritual bonds between Japan and Laos are an encouragement and potential for the development of relations between the two countries. What interests me most during my visit to Laos this time is to thoroughly see with my own eyes the recent economic development of Laos.

Though I only had a little time after I arrived in Vientiane, I went to see the town with His Excellency Phoun Sipaseut, who explained the realities and guidelines of economic reform to me. I am very impressed by the seriousness of the Lao Government in carrying out economic reform. Though this visit is short, with the important experiences I have had on this occasion, I am highly determined to do my utmost to contribute to further strengthen relations between the two countries.

As you know, the Japanese Government sent experts to Laos last July. These experts are here to give economic advice to the Lao Government. The Japanese Government has also resumed its volunteer project in Laos. I hope that following this visit, Laos and Japan will study the forms of cooperation in order to make cooperation more efficient.

In the past, despite being geographically close, Japan and Laos were distant from each other. Now, the two countries are marching forward in maintaining relations with a new, even wider and deeper quality as Asian friends. I am convinced that the mutual assistance between our two countries in the decade of the 90's into which we have just entered will greatly contribute to the achievement of prosperity and development in Indochina in the coming 21st century.

SRV Labor Union Delegation Arrives for Visit

BK2807102290 Vientiane KPL in English 0901 GMT 28 Jul 90

[Text] Vientiane, July 28 (KPL)—A delegation of Vietnam Federation of Labour led by its president, Mr. Nguyen Van Tu, who is also member of the Communist Party of Vientnam Central Committee, arrived here on July 26 on an official visit to Laos at the invitation of the Lao Federation of Trade Union.

While here, the delegations of the two federations will discuss and sign cooperation agreements for the period 1990-1991 on propaganda work, personnel training and mutual exchange.

The visiting Vietnamese delegation will tour economic and cultural bases in Vientiane Prefecture and Savannakhet Province.

Signs Accord, Departs

BK0308105690 Vientiane KPL in English 0902 GMT 3 Aug 90

[Text] Vientiane, August 3 (KPL)—A delegation of the Labour Federation of the Socialist Republic of Vietnam led by its president, Nguyen Van Tu, member of the Communist Party of Vietnam Central Committee, ended its visit to the Lao PDR [People's Democratic Republic] and left here for home on August 2.

During its stay here, the Vietnamese labour delegation called on Mr. Oudom Khatthi-gna, alternate Politburo member of the LPRP CC [Lao People's Revolutionary Party Central Committee], head of its organizational board, who is also in charge of the mass organizations. It also met with the Lao officials of the Lao Federation of Trade Union Central Committee.

An agreement on cooperation between the two organizations for 1990 was signed during the visit. According to the agreement, the two sides agreed to cooperate on personnel training, business cooperation and exchanging of experiences.

The Vietnamese labour delegation visited some cultural and product bases in Vientiane Prefecture, Vientiane and Savannakhet Provinces.

It was seen off at the airport by Bounthan Souvannasouk, president the Lao Federation of Trade Union, and other officials.

Truong Wuang Ngo, minister councillor of the Vietnamese Embassy here, was also on hand.

Sali Vongkhamsao Reports on Financial Work

Installment Four

BK3107140390 Vientiane Domestic Service in Lao 0030 GMT 28 Jul 90

[Fourth installment of part one of "Report on Financial Work During the Past 15 Years and New Direction and Primary Functions of Financial Work," presented by Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance, at the first nationwide financial conference held in Vientiane on 21 June—read by announcer; for third installment of part one, see page 48 of the 2 August East Asia DAILY REPORT]

[Text] Moreover, the machinery maintenance and repair shop in Savannakhet Province, which was built with a loan of over 3 million rubles from the Soviet Union, is unable to operate at its full capacity of 800 vehicles per year because there are not enough vehicles and machinery for it to repair. Built with a loan of over 17 million rubles from the Soviet Union, the State Construction Company at Kilometer 5 in Vientiane Municipality has now halted its operation, and its vehicles and machines were allocated to other small construction units. In short, various investment projects failed because they lacked good plans and economic and technical feasibility studies. In the construction field, several projects are often launched simultaneously, which in many cases are oversized and incompatible with the rate of economic growth and the capabilities of technical cadres and workers. This is the reason why the past investment projects failed to further strengthen our country's potential, particularly in the agricultural and forestry area and export industries. Moreover, so far, we have not applied the contractual and international bidding methods for construction projects. Therefore, the state budget has to shoulder a heavy burden in contributing to the investment in this field, which is one of the causes of the country's financial confusion and difficulty.

2. The Cultural and Social Expenditure:

During the past 14 years, the party and state have been paying special attention to sociocultural undertakings so as to do away with the adverse consequences left behind by the old regime, such as illiteracy, social problems, and diseases, which used to be detrimental to the multiethnic people's health. For this reason, our party has formed a detailed policy for each relevant sector to implement. In particular, we have moved one step ahead in the education field. As a result, we have fundamentally wiped out illiteracy within a period of only 10 years. At present, one out of five citizens attends school. We have three doctors for every 1,000 citizens. During the past 14 years, from 1976 to 1989, the government spent 7.8 billion kip, approximately 10 percent of the annual budget expenditure of each year, in the sociocultural area. At at any rate, due to the state-subsidizing nature of the budget expenditure in the sociocultural undertakings, the state has to pay for everything from food to housing, transportation, and equipment for school teachers. Everyone receives free education and medical treatment. Hence, there has been a tendency to spend extravagantly the budget allocated for this area, attaching significance to quantity and disregarding quality. For example, we have plenty of schools. There are seven to eight teachers for each village. Each district has 300 to 400 teachers, such as 338 in Paksong District and 330 in Mounlapamok District of Champassak Province. Subsequently, the budgets of the government and localities are inadequate. Teachers do not receive their salaries on a regular basis. Schools in many localities lack teaching equipment and a budget for repair. The problem in this regard is that we are not profoundly imbued with the party's line of mass mobilization. We do not see that educational, cultural, public health, and other social works are the joint tasks of the state and masses. The state and people must work together. The people must be regarded as the foundation, and they must take the initiative in solving problems as well as shouldering part of the expenditure. However, the state is obliged to subsidize whatever is crucial to the general direction of the undertakings. It is important that we formulate regulations and principles and clearly distribute responsibilities among the relevant sectors.

Installment Five

BK0308062390 Vientiane Domestic Service in Lao 0030 GMT 29 Jul 90

[Fifth installment of part one of "Report on Financial Work During the Past 15 Years and New Direction and Primary Functions of Financial Work," presented by Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance, at first nationwide financial conference held in Vientiane on 21 June—read by announcer]

3. Expenditure for National Defense and Public Security Maintenance Work:

Our party has clearly stipulated the two strategic tasks of our revolution for implementing the new stage. Our party and government have paid special attention to regularly consolidating and enhancing the combat strength, capability, and readiness of the armed forces. For this reason, the government has allotted a fairly large budget for implementing the national defense and public security maintenance work. The expenditure for this work covers as much as 17.3 percent of the overall annual expenditure. It represents 38.9 percent of the country's entire revenue. This is considered a considerably high proportion.

Nevertheless, in actual practice, it is apparent that many shortcomings remain in this expenditure. For example, the expenditure has not sufficiently satisfied the requirements of the national defense and public security maintenance work. For example, salaries for the armed forces have not been readjusted fairly. So far, the central budget service continues to owe local armed forces back salary of many months; the Interior Ministry has failed to readjust new salaries for the police in various localities; fuel oil and various expenditures to settle problems in certain areas have not been supplied in a timely manner. All these are due to the failures of the various relevant sectors to clearly and unanimously make arrangements and coordinate in assigning labor and responsibilities. It is also due to the failure of those sectors to effectively improve their financial reporting and controlling system.

4. Expenditure for Administrative Apparatuses:

As the number of personnel attached to the state apparatuses has covered as much as 12.3 percent of the entire laboring people in the country, which is a considerably high percentage; as the expenditure for fostering the state apparatuses is considered the largest; and, moreover, as the party and state must regularly readjust the salaries for the cadres, soldiers, and state employees attached to their apparatuses, the accruing revenues, therefore, cannot be balanced with the administrative expenditure and cannot meet the requirements of salary funds. For example, the internal revenue covered only 91 percent of the administrative expenditure in 1988, 76 percent in 1989, and 79 percent in 1990. It is, therefore, necessary for the state budget service to deduct part of the revenue from foreign sources for the administrative expenditure. As a result, salaries cannot be paid on schedule to soldiers and state employees, in particular those in remote areas, such as in Oudomsai, Luang Namtha, Houa Phan, Sekong, and other provinces. The total amount of unpaid salaries in 1988 and 1989, which were later paid in 1990, was as much as 2.9 billion kips, 2.5 billion of which was salaries for those in the remote areas.

In late 1979 and early 1980, along with the change of the monetary unit and the price adjustments of certain types of goods, the state increased the basic salaries 2.7-fold, compared to 1976, to stabilize the prices of eight basic consumer goods in view of the rising prices in the markets. This resulted in the devaluation of actual salaries. In early 1982, the state again increased cost-of-living funds by 50 percent, 70 percent, and 90 percent accordingly, depending on conditions in different areas, while maintaining the prices of the basic consumer goods at the same level. Following this, state employees attached to the administrative branch could buy rice at 3 kips per kg. As a result of the salary devaluation, in September 1983, the state allotted an additional 2,000-kip subsidy per person per month.

After the fourth party congress in 1988, a resolution was issued on the implementation of the labor management system based on the new mechanism and on the payment of salaries in the form of cash. In early 1990, due to the difficulties in the daily life of state employees and armed forces, the party and state made another adjustment to the salary system. Nevertheless, at present many difficulties remain in implementing the salary requisition system. This is because in early 1990 the budget service had to pay all the salary debts which remained unpaid from previous years, and had to increase the salaries at an average of 8.4 percent of the old salaries. Moreover, it had to pay all the salaries in cash, while its cash-amassing capability was still limited.

5. Expenditure for Repayment of Foreign Debts:

Since 1986, the expenditure for repayment of foreign debts has increased at an average of 17 percent per annum. If the suspension of the repayment of debts is no longer allowed by various socialist countries, then beginning in 1991, the expenditure for the repayment of foreign debts will increase by 2.8 times compared with 1990, because, by that time, the repayment period set by the intergovernmental agreement will have expired.

In the past, the expenditure for repayment of debts amounted to 7.5 percent of the total annual expenditures. At present, the state budget service has already repaid foreign debts totaling 32.6 billion kips [Lao currency] or equivalent to 46.6 million [currency not specified]. In the recent past, the administrative state-financing apparatuses have forced the state to repay debts for enterprises and forced the central service to repay debts for local services. This is because the management roles and responsibilities of the two have not been clearly separated, the financial and planning self-mastery system has not been completely implemented, and the loan-raising plans have not been developed from the grass roots and they have not been directly related to the benefits, obligations, and responsibilities of organizations that have used the loans.

In the immediate future, if the management system remains unchanged, then the state budget service will still have to shoulder an ever heavier burden of the expenditures to the extent that a crisis may result, as seen in certain countries that failed to repay debts due to the inefficient utilization of foreign loans and the shortage of accruing revenue sources.

6. The Finance of Enterprises:

The finance of grass roots enterprises is considered a significant, necessary component of the state's financial work. If an enterprise's financial status is stable and strong, then state finance, mainly comprised of state budgets, will stabilize and thrive. For this reason, over the past 15 years, the government has concentrated on making a considerably large investment in state enterprises, such as modern animal feed factories, cement factories, gypsum mining, brick factories, farm machinery repair workshops, vaccine processing factories, plywood factories, pharmacies, and many others in addition to a number of factories or plants and production establishments that were left behind by the old regime and later controlled and managed by the state. At present, some 700 state enterprises and state-private ventures, including 113 enterprises managed by the center, 387 under the management of Vientiane Municipality, and some 200 others under provincial management, have positively contributed to developing production business as well as to increasing the state budget.

Philippines

Further on Release of Hostages Mizuno, Swanson

Radio Reports Swanson Freed

HK0208132590 Manila Radio Veritas in Tagalog 1300 GMT 2 Aug 90

[Excerpt] Japanese worker Fumio Mizuno and American Timothy Swanson were finally released. Mizuno was freed after 60 days of captivity at a place in Murcia. He was accompanied by armed New People's Army rebels and was turned over, before local and foreign media members, to the Freedom Committtee, headed by Bishop Antonio Fortich. Mizuno, who looked very tired, was met by his wife and child.

Swanson, on the other hand, was just released tonight in Silay, Negros, due to some delay. Tony de la Cruz reported that Bishop Fortich's health was greatly affected by the long release process. [passage omitted]

Mizuno's Group Reviewing Plans

OW0308062690 Tokyo KYODO in English 0547 GMT 3 Aug 90

[Text] Bacolod, Philippines, Aug. 3 KYODO—A Japanese aid group is reassessing its programs in the Philippines following the kidnapping of one of its workers by communist rebels, a Philippine provincial governor said Friday.

Ryoko Nakano, president of the Organization for Industrial, Spiritual, and Cultural Advancement (OISCA), and the group's local officials met with Negros Occidental Gov. [Governor] Daniel Lacson on Friday, a day after Fumio Mizuno was released from 65 days in captivity.

"She talked about a reassessment of programs in Negros and in the country, and I said whatever decisions you will have to make, I'm sure it is paramount that you will consider the safety and security of your aid workers,' Lacson told reporters after the meeting. Mizuno, 36, was abducted by members of the New People's Army (NPA) while visiting a silkworm farm run by his group in Murcia town southeast of Bacolod on May 29. His captors said they suspected him of supporting the government's campaign against them.

Asked if OISCA was inclined to pull out, Lacson said, "I think they may have been told by the NPA quietly that there are risks in their continued stay in Negros." The rebels also released U.S. Peace Corps volunteer Timothy Swanson late Thursday. Swanson's abduction last June came after the U.S. Government announced a pullout of all Peace Corps volunteers due to alleged threats from communist rebels.

"The rebels have delivered a strong message to Americans and Japanese by the abduction" of the two volunteer workers, Lacson said. He added that he had apologized to the agencies concerned about the abductions.

Rebel Escort for Honasan Arrested in Aurora

HK0308085190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 3 Aug 90

[By Eloi Aquino]

[Excerpt] A joint force of military intelligence and Aurora Philippine Constabulary-Integrated National Police arrested a rebel officer who served as a backup and escort for former Colonel Gringo Honasan in the August 1987 coup and the failed December coup.

Armed Forces of the Philippines [AFP] Vice Chief of Staff Major General Rodolfo Biazon said Army First Lieutenant Tol Pompeo Dario did not put up any resistance when he was arrested by military agents in his hideout at Letty's restaurant in Maria Aurora, Aurora Province on 2 August. Dario's arrest came after military intelligence operatives and local constabulary tracked him down based on information given by a civilian informant. His arrest was authorized under a general headquarters AFP Order of Arrest and Confinement Order, Series 1-219.

Confiscated from the rebel officer was a Colt .45 caliber pistol with a magazine containing seven rounds of ammunition. Dario, Biazon said, was with the group of Scout Rangers under the command of Captain Fidel Leziraldo Jr. who attacked the [word indistinct] detention cell at Fort Bonifacio's gate No. 1 on the first day of the December coup. Dario and his groups joined the rebel Scout Rangers when they withdrew from Fort Bonifacio to Makati Commercial Center, where they occupied the Ritz Towers. When the Scout Rangers under Lieutenant Colonel Rafael Galvez decided to surrender, however, Dario, along with Major Abraham Purugganan, Captain Lezilardo, and one other enlisted man wearing a security guard uniform, escaped. Dario was the Scout Rangers' course director of Training Class 100 at Fort Magsaysay before the December coup. [passage omitted]

NDF Aims To Set Up Asia-Pacific Offices

HK0108111090 Manila THE MANILA CHRONICLE in English 31 Jul 90 p 6

[Text] The outlawed National Democratic Front (NDF) plans to establish offices in the Asia-Pacific region as part of its expanded propaganda offensive and fund-raising campaign, the military said yesterday.

Citing alleged subversive documents seized, the military said the fund-raising drive would be under the guise of promoting the welfare of Filipino overseas workers, human rights, and environmental and health concerns. But actually, the campaign would generate funds for Communist Party of the Philippines (CPP) and its military arm, the New People's Army (NPA), according to the military.

The documents, the military said, were seized by intelligence agents while being transmitted office in Utrecht, the Netherlands, to the NPA general command in Manila. An intelligence officer who decoded the documents said these were prepared by former priest Luis Jalandoni, now in exile in Utrecht with alleged CPP founder and chairman Jose Ma Sison. Jalandoni's identity appeared in the documents as "Ka [Comrade] Mario," said the officer who requested anonymity.

As part of the propaganda offensive, NDF leaders plan to produce documentary films and go on speaking tours both in the U.S. and key capitals in Asia and the Pacific about the movement, the military said. The military, quoting from the documents, said these steps will "promote recognition, develop relations work and generate finances, prepare for the peak in 1992 when an international NDF conference will be held."

Pro-Truce Group Confirmed Within Military

HK0308092990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 3 Aug 90

[Text] AFP [Armed Forces of the Philippines] Vice Chief of Staff Major General Rodolfo Biazon said the military still has to decide whether to accept the rebels' new cease-fire proposal. He also said, however, that past terrorist activities carried out by the New People's Army could deter any decision to implement a new cease-fire.

This was Biazon's reaction to demands by armed groups for a cease-fire that would then pave the way for a new round of peace talks.

Biazon also confirmed the existence of a new group within the Armed Forces of the Philippines known as (KAMS) which allegedly issued a statement urging all armed groups, including the AFP, to end all hostilities and to return to the negotiating table. Biazon said they are already aware of the group's existence and that military intelligence is trying to identify the people behind the group.

Biazon stressed that like Kawal-Filipino [Loyalty to the Flag and Filipino Race], (KAMS) does not have the AFP's sanction to become an authorized organization. He did not rule out a cease-fire, however, but only if such a proposal is evaluated and thoroughly studied.

[Begin Biazon recording in English—in progress] ...been looking into this group, the one they call (KAMS). The matter of a truce is something that we really should be very careful in assessing because based on past experience and based on present conditions, truce may not really be what is in the minds of the people. It may be, based on the experience of 1986, for example, truce may be used as a respite for them, considering that they are now in a hopeless situation. But we welcome, if sincere, we welcome the declaration of truce. [end recording]

Economic Reform Plan To Continue Despite Quake

HK0108051990 Manila BUSINESS WORLD in English 1 Aug 90 pp 1, 6

[By reporter Alex B. Reyes]

[Text] The economic reform program will push through despite the devastation wrought by the earthquake, Finance Secretary Jesus P. Estanislao said yesterday. Speaking before the American Chamber of Commerce of the Philippines, Mr. Estanislao said "there's no turning back," as the nation will move as aggressively and as quickly as it can on all aspects of the program.

Liberalizing the trade and investment regime, reducing the budget deficit, overhauling the tax structure, easing restrictions in the financial sector, and deregulating oil prices are the main elements comprising the economic package.

Mr. Estanislao noted that as a result of the July 16 quake, anxiety had arisen over the economic future of the country, but the more difficult circumstances have made the economic reforms "more crucial and more relevant." The Finance head said the reforms are needed to provide a conducive macroeconomic environment to rehabilitation and reconstruction efforts. He stressed that the number one priority of the reforms is to combat inflation, which averaged 13% for the first six months of the year.

"Inflation is the most hideous form of taxation because it affects the bottom 30% of the population which any government must serve first," Mr. Estanislao said. He said the lynchpin of the new economic program is to bring down the fiscal deficit so that it won't contribute to inflationary pressures.

"Unless we attack the fiscal deficit, we won't have any moral authority to do anything because we know that the Philippine Government is the major reason behind the inflation we are all suffering from," Mr. Estanislao said. Mr. Estanislao emphasized that the package has to address all sectors of the economy, otherwise it would lose its effectiveness.

"We have learned over many painful years that you can't attack one part of the economy without affecting the other parts. We really need to move on all fronts." With regards to the simplification of the tariff structure, the former head of NEDA [National Economic Development Authority] and DBP [Development Bank of the Philippines] said the Executive order [EO] implementing the reforms will take effect within 30 days of the EO's publication in major newspapers.

The EO provides for a 4-tier tariff structure that in Sec. Estanislao's words will "Put the Philippines in the lead in Asia in reducing protection for overly protected industries," adding that the country is "not satisfied with the legacy of 25 years of protectionism." Mr. Estanislao also pointed out that the Government's drive to bring down interest rates has been partially successful, as the past four weeks have seen a steady decline in interest rates. But he said for as long as Government continues to borrow heavily to finance its deficit, then interest rates cannot be brought down as much and resources will continue to be gobbled up by Government. The Finance chief said that as part of efforts at reducing interest rates, the Gross Receipts Tax will be phased out over five years, but an increase in tax collection efforts will enable Government to accelerate its full phaseout by 1992.

Report Views Reasons for Weak Export Performance

HK3007031790 Manila BUSINESS WORLD in English 30 Jul 90 pp 1, 21

[By reporter Ma. Liza A. Solano]

[Text] The country's exports continued to perform below expectations in the first five months of the year, although a 5% growth was posted over that same period in 1989. Foreign exchange earnings as of May amounted to $3.3 billion, about $338.6 million, or 9.4%, short of the target for the period.

The International Trade Group (ITG) of the Department of Trade and Industry (DTI) earlier adjusted downward the yearend target from $10.032 billion to $9.083 billion. It has likewise scaled down the export goal for 1992 from $15 billion to $13.425 billion. ITG pointed to poor infrastructure, lack of support facilities, bureaucratic red tape, lack of a firm policy on exports, high financing cost, increasing production cost, labor unrest, peace and order, and negative publicity generated by the December coup attempt as the reasons behind the slow growth in exports. Also, the recent drought was said to have adversely affected the production of some resource-based exports.

ITG is currently pushing for the implementation of several programs and projects to improve the environment for export development. These include the proposed export omnibus bill, export financing guarantee scheme, foreign currency loan scheme, physical infrastructure development, simplification of procedures and documentation, and the strengthening of linkages between Government and private sector groups. The DTI, through the Philippine International Trading Corp., is also adopting countertrade measures to help boost the country's foreign exchange earnings.

Electronics were the top export product from January to May this year, growing by 8.8% to almost $740 million. However, sales were lower by 19.3% than the target for the period. Unconsigned exports dropped by 5.4% to $314.3 million but consigned orders improved by 22.5% to $425.7 million. DTI sources said the anticipated cut in the defense budget of the United States may affect exports of semiconductors this year. American importers account for about over third [as published] of the Philippines' export of the product.

On the other hand, garment exports, the second best-seller, grew by 29% to 623.4 million and even overshot by 7.2% the January-May target of $581.6 million. This high growth was achieved despite a soft market in the United States and the wait-and-see attitude reportedly adopted by some buyers abroad after the putsch.

The other products in the top ten exports list were traditional resource-based products ($351.9 million, down by 12.3%), fresh food ($207.3 million, down by 18.9%) metal manufactures ($198.9 million, down by 13%), traditional food products (167.1 million, up by 34%), gifts, toys and houseware ($132 million, up by 14.4%), chemicals $100.5 million, down by 3%), non-traditional resource-based products ($95.6 million, up by 2.7%), and fashion accessories ($95.5 million, up by 21.9%).

The United States, traditionally the biggest importer, bought $1.2 billion worth of goods or about 36.4% of total Philippine exports for the period. The figure is higher by 15.9% than that of January-May 1989 but only 32.4% of the $3.7 billion annual target for 1990. Japan, the second biggest buyer, imported a total of $641.8 million, lower by 8.3% than the previous year. The figure is about 40.1% of the goal of $1.6 billion for the whole year.

The other top markets of Philippine products in the first five months were the Netherlands ($160.3 million, up by 28%), Federal Republic of Germany ($142.5 million, up by 11.9%), United Kingdom ($135.4 million, down by 0.07%), Hong Kong ($128 million, up by 2.2%), Singapore ($98.3 million, up by 2.9%), Taiwan ($88.4 million, down by 1.6%), Republic of Korea ($80.8 million, up by 3.8%), and Thailand ($72.9 million up by 14.9%).

Thailand

Chatchai Receives U.S. Secretary of Commerce

BK0208154990 Bangkok Army Television Channel 5 in Thai 1230 GMT 2 Aug 90

[Text] Prime Minister General Chatchai Chunhawan received U.S. Secretary of Commerce Robert Mosbacher and his delegation at Government House this afternoon. The U.S. secretary of commerce is on a visit to Thailand to sign an agreement on the establishment of a joint Thai-U.S. economic commission. Agreement to set up the commission was reached at the meeting between General Chatchai and U.S. President George Bush on 15 June during the prime minister's visit to the United States. The U.S. secretary of commerce and Thai Commerce Minister Subin Pinkhayan jointly signed the agreement. Commerce Minister Subin talked about details of the agreement:

[Begin Subin recording] The commission will meet once a year alternately in the United States and in Thailand. The agreement was signed in Thailand and the first meeting of the commission will be held in the United States. Topics to be discussed by the commission will concern trade and investment opportunities and cooperation as well as the existing trade and investment problems. [end recording]

Radio Examines U.S. Cambodia Policy Shift

BK0308113190 Bangkok Domestic Service in Thai 0000 GMT 1 Aug 90

[Analysis from the "Foreign News Analysis" program: "Results of the ASEAN Ministerial Meeting and the New U.S. Policy on Cambodia"]

[Excerpts] Dear listeners, after the reunification of South and North Vietnam in 1975, the United States applied a cold war theory to its policymaking on the Cambodian problem. And after Vietnamese forces invaded Cambodia three years later, Jimmy Carter, the then U.S. president, announced support for the Coalition Government of Democratic Kampuchea [CGDK] led by Prince Sihanouk. The United States has provided diplomatic and arms support to the CGDK. Under President George Bush, the U.S. Government has set up three goals for its Cambodia policy, namely: 1) Vietnam's withdrawal of its troops from Cambodia; 2) preventing the Khmer Rouge, which have the greatest power among the CGDK, from returning to power in Phnom Penh; and 3) ensuring the Cambodian people a free election for the formation of a new government that truly represents all Cambodian people.

The United States achieved the first goal in September 1989 when Vietnam announced that the last batch of its total of 200,000 troops had returned home despite the fact that some of the Vietnamese soldiers returned to help the Heng Samrin regime's troops later on. The United States realized that it is difficult to achieve the second goal if it continues to support the CGDK because although the United States intends to assist only Prince Sihanouk's faction and Son Sann's faction, the Khmer Rouge also stands to benefit from the assistance. Therefore, the United States believes that a policy shift on Cambodia may help it achieve the second goal and pave the way for the success of the third goal. Finally, U.S. Secretary James Baker unexpectedly announced a new Indochinese policy after his meeting with Soviet Foreign Minister Eduard Shevardnadze in Paris on 18 June. [passage omitted]

However, what ASEAN and the U.S. allies are concerned about is that the shift in U.S. policy on Cambodia may intensify the civil war in Cambodia. The Khmer Rouge may step up its attacks to seize areas as much as possible for bargaining at the negotiating table after it realizes that foreign countries are coming to attach importance to the Heng Samrin regime. What is important is that the new U.S. policy on Cambodia may affect all U.S. policies toward Indochina, which may cause more rifts between ASEAN and the United States in the future.

ASEAN-U.S. Common Stand on Cambodia Noted

BK0208131590 Bangkok Voice of Free Asia in Thai 1030 GMT 31 Jul 90

["Special article": "True Friendship Remains Strong and Stable"]

[Text] The 23d annual conference of the ASEAN foreign ministers and the ASEAN's post-ministerial conference with its dialogue partners, namely the United States, Australia, New Zealand, Canada, the European Economic Community and Japan, have ended. The two important meetings were held in Jakarta, Indonesia. The ASEAN foreign ministers left afterwards for Singapore to attend the meeting on the Asia-Pacific Economic Cooperation. Cooperation among the Asian and Pacific countries is another issue of significance which will be discussed separately.

What is of interest concerning the ASEAN post-ministerial conference is the stand adopted by the ASEAN members in talks with the United States on the question of Cambodia. Last week [as heard], the United States, by its Secretary of State James Baker, announced a reversal of several policies concerning a peace settlement in Cambodia. The U.S. policy shift has caused a general concern for a delay, or a deadlock, in the peace settlement. In their inaugural speeches at the opening of the conference, ASEAN foreign ministers made known their concern for the U.S. policy shift and the call from the first asylum countries for repatriation of Indochinese refugees. The Cambodian issue has thus become the focus of discussions during the post-ministerial conference. Mass media even anticipated that the differences would lead to an undesirable outcome for all parties.

But things have turned out differently, and there has been an improvement in the atmosphere. U.S. Secretary of State James Baker stated clearly at the meeting what are the changes in the U.S. policy and what remains unchanged. He said that, first of all, the United States remains committed to the original goals in the peace settlement. They are: the withdrawal of Vietnamese troops from Cambodia and an effective verification of the withdrawal, the prevention against a military return to political power of the Khmer Rouge, and the right to self-determination for the Cambodian people in choosing their own future based on a free and fair election. James Baker stressed that the United States remains committed to all those points.

From what James Baker stated, we can see that they are not different from the stand adopted by the ASEAN countries. All ASEAN states want to see an end to the war in Cambodia—the war originated by the Vietnamese occupation and imposition of its will on the Cambodian people by setting up a regime in Phnom Penh to rule over them. The regime installed by Vietnam in Phnom Penh has been denied recognition by the United Nations for over a decade. Vietnam should accept that it has nothing to do with the internal affairs of Cambodia and pull out from Cambodia all its soldiers still present in Cambodia in whatever disguise. Concerning the use of force to achieve political goals in Cambodia, no matter by the Khmer Rouge or by any other factions, ASEAN never endorsed it. The six ASEAN states remained consistent in their support for a self-determination of the Cambodian people. Nevertheless, the process toward achieving it must be correct, trustworthy, and internationally accepted. ASEAN shares a common goal in seeing a free and fair election held in Cambodia.

Secondly, the United States thinks that the Cambodian seat at the United Nations should belong to the representatives of the Supreme National Council, or SNC, under the framework of the comprehensive political settlement of the Cambodian problem. The seat is being occupied at present by the national Government of Cambodia led by Prince Sihanouk, with the backing from the international community. The vote given by those countries, despite the fact that the Coalition Government of Democratic Kampuchea did not hold political power in Phnom Penh, is a clear indication that the international community rejected a government installed and backed by foreign invaders as representing the Cambodian people. However, as the effort toward achieving a settlement of the Cambodian problem is making headway, with a proposal for the formation of a Supreme National Council to organize an election in Cambodia, the national Government of Cambodia, together with representatives from the Phnom Penh regime, will become part of the Supreme National Council. And through a general election, the Cambodian people will decide which of them should be given a mandate as a legitimate government of Cambodia. With this in view, there is nothing wrong in giving the UN seat to the Supreme National Council, of which the national Government of Cambodia is a part. The convergence of views between ASEAN and the United States on this issue is positive. It goes contrary to what critics anticipated.

Thirdly, Secretary of State James Baker said that the United States upholds the joint statement issued by the ASEAN foreign ministers on 23 July 1990. He said that there is no difference in the stands adopted by both sides. As is known, the joint statement issued by the ASEAN foreign ministers this year carries a serious tone. This could be interpreted as something provocative. Nevertheless, with the explanation given by the U.S. secretary of state, it seems that the ASEAN statement has been given high recognition by the United States which praised the wisdom of the ASEAN states and said it accepts criticisms from ASEAN in a spirit of frienship. Therefore it can be concluded that, between the United States and ASEAN, there is no rift as feared by many.

In addition to the statement he made at the meeting, U.S. Secretary of State James Baker also had a private meeting with Thailand's foreign minister, Air Chief Marshal Sitthi Sawetsila. Mr. Baker asked the Thai foreign minister to explain to other ASEAN members the thinking of the United States. That means all parties share a common goal, that is, a good understanding among all of them.

Dear listeners, the two meetings ended with success—a positive framework for further steps to be taken toward achieving a settlement of the Cambodian problem. One point left to be cleared, that is, it would be wrong for the Phnom Penh regime to think that there had been divergence of views between ASEAN and the United States and would exploit it to block the peace process. We are hereby appealing to it to adhere to the principle of peaceful settlement, respect the resolution of the international community and welcome the role of the United Nations. Only then will all problems be automatically settled.

Foreign Minister Views ASEAN Jakarta Meeting

BK0108154590 Bangkok Domestic Service in Thai 1200 GMT 1 Aug 90

[Text] There will possibly be a summit of ASEAN leaders next year. Foreign ministers of the ASEAN states, namely Thailand, Malaysia, Singapore, Indonesia, the Philippines and Brunei, agreed that such a meeting should be held because there have been major changes in the world, politically and economically. Foreign Minister Air Chief Marshal Sitthi Sawetsila reported about the plan upon his arrival at the Bangkok Airport this afternoon after attending the meeting of the ASEAN foreign ministers and the post ministerial conference with dialogue partners in Jakarta, Indonesia, and the Asia and Pacific Economic Conference in Singapore.

The foreign minister also reported that regarding the problem of Cambodia, the meeting of the ASEAN foreign ministers and the dialogue partners agreed that there should be urgent formation of a supreme national council. This policy is in line with the principle adopted by the Thai Government.

The meeting also expressed the view that the previous meetings on Cambodia, in Jakarta, Bangkok, Tokyo and Paris, contributed to the efforts to find a solution to the Cambodian problem. It now rests with Indonesia and France, the cochairmen of the international conference on Cambodia under the framework of the United Nations, to continue with the effort. Negotiations should resume, with a view towards getting the four Cambodian factions and other parties involved to meet and discuss how a comprehensive political settlement could be achieved. The foreign minister said that should the next meeting be held in Jakarta, Indonesia would invite China and Japan to the meeting.

Concerning U.S. policy on Cambodia, the foreign minister said the U.S. policy aim of solving the problem remained unchanged although the United States announced that it would withdraw recognition of the UN seat of Democratic Kampuchea. He said that the United

States always supports ASEAN's fundamental principles toward achieving a settlement to the Cambodian problem.

The foreign minister reported that another major topic discussed at the meetings concerned the boat people. ASEAN countries want the United States and Vietnam to accept the measure formulated by them aimed at solving the problem and to start implementing it. He said that the meeting of the Asian and Pacific nations studied the multilateral trade talks of the Uruguay Round of GATT. As there has been no progress made at the meeting in Geneva, the Asian and Pacific nations call on the industrialized countries and states involved to realize the importance of the multilateral trade talks and try to reach a compromise.

Officer Predicts Cambodian Fighting To Intensify

BK2807103590 Bangkok NAEO NA in Thai 28 Jul 90 p 3

[Text] The United States policy shift to withdraw its recognition of the coalition government of the tripartite Cambodian resistance will lead to an intensification of fighting in Cambodia, said Rear Admiral Sumit Chunmanut, chief of staff of the Chanthaburi-Trat Border Force.

Reporting on the situation along the Thai-Cambodian border in Chanthaburi and Trat Provinces during 25 June-23 July, the Thai chief of staff said fighting was still going on in the western part of Battambang. In early July, the Cambodian resistance forces launched attacks on the military strongholds of the Phnom Penh government. Morever, the resistance forces also destroyed arms and food supply routes in the northwestern part of Cambodia, thus cutting off the transportation between Battambang and Siem Reap. Therefore, the fighting inside Cambodia is expected to intensify in the future.

The Chanthaburi-Trat Border Force officer reiterated that following the United States announcement that it would recognize the government of the Heng Samrin regime in the United Nations [as published] and would withdraw its recognition of the Cambodian resistance, the fighting in Cambodia would likely intensify even more. It is expected that the tripartite Cambodian resistance forces would further continue their strong offensive operations.

Military Spokesman Views Cambodia, Laos Borders

BK0108094390 Bangkok Army Television Channel 5 in Thai 1230 GMT 30 Jul 90

[Text] Concerning the Thai-Cambodian border situation this month, Lieutenant General Narudon Detpradiyut, director of the Information Office of the Supreme Command Headquarters, reported that heavy fighting continued in Cambodia between the Cambodian resistance forces and the Heng Samrin troops. The fighting did not affect the Thai border though, he said.

However, a group of armed Cambodian bandits trespassed the border and robbed Thai villagers in Bo Rai District, Trat Province. Army Commander General Suchinda Khraprayun has therefore ordered the force responsible for the area to gear up measures to protect the people and prevent the border incursion.

On the Lao border, foreigners were illegally smuggled into Thai territory in the Muang District of Mukdahan Province. The Thai authorities concerned have carried out operations to push them back into Laos. Recently, a total of 148 Lao refugees were returned to their country.

Reportage on Reactions to Iraq-Kuwait Situation

Foreign Ministry Concerned

BK0208142290 Bangkok Army Television Channel 5 in Thai 1230 GMT 2 Aug 90

[Text] Concerning Iraq's military invasion of Kuwait on the dawn of 2 August, the Foreign Ministry issued a statement this evening expressing its concern over the situation involving the two countries, which maintain good relations with Thailand. The Foreign Ministry calls for an immediate end to military actions and for the resumption of talks to settle the conflict peacefully.

The Foreign Ministry has checked with the Thai Embassy in Kuwait over the situation. It learned that there are about 20 officials and their dependents in the embassy. Additionally, there are about 7,000 Thai workers in Kuwait. The Thai Embassy has asked all workers to return to their living quarters. At the time of this report, no Thai worker is reported to be in danger from the situation.

Sitthi Issues Statement

BK0308074590 Bangkok Domestic Service in Thai 0530 GMT 3 Aug 90

[Text] Today, Foreign Minister Air Chief Marshal Sitthi Sawetsila has issued a statement on the Iraq-Kuwait conflict. The statement reads as follows:

Following the Iraqi military troops' invasion of Kuwait on 2 August, Thailand is greatly concerned over the serious situation in the Middle East which may have extensive impact on international peace and security. Thailand therefore wants to urge both countries, who are good friends of Thailand, to once more make an effort to settle their conflict through peaceful negotiations. The Thai Government supports the resolution adopted by the United Nations Security Council—Resolution No. 660—and the call for the United Nations, the Arab League, and all other parties concerned to actively cooperate in reestablishing peace and stability in the troubled areas in the Middle East, as that region is very important to the international community. Moreover, the Thai Government urges all sides to be utterly tolerant and to protect the lives of civilians in the area of conflict.

The main point in UN Security Council Resolution No. 660 is that Iraq's invasion of Kuwait is a violation of international peace and stability. The resolution calls for a condemnation of Iraq's invasion of Kuwait and for Iraq to immediately and unconditionally withdraw all its troops from Kuwait to the positions they held prior to 1 August. It also calls for Iraq and Kuwait to begin serious talks to resolve their conflict. The resolution supports all efforts relating to the issue, particularly by the Arab League.

Interior Minister on Conflict

BK0308093390 Bangkok Domestic Service in Thai 0530 GMT 3 Aug 90

[Text] At the Interior Ministry this morning, Interior Minister Banhan Sinlapa-acha answered questions about the situation concerning Thai workers in Kuwait. The minister said that on 2 August he ordered the Labor Department to closely follow up on the developments of the Iraq-Kuwait conflict and to instruct the Thai labor office in Kuwait to inform all the Thai workers there to remain in their units and keep their eyes and ears open.

According to the latest information received, he said, there had been no report of casualties among the Thai workers.

Asked if any security measures would be provided for the embassies of Iraq and Kuwait in Thailand, Banhan said that following a request from the Foreign Ministry, he had already ordered policemen to give them special treatment.

Meanwhile, a Public Relations Department correspondent reported from the Government House that Prime Minister General Chatchai Chunhawan today called a meeting of commanders and representatives of all the Thai Armed Forces, the director general of the Police Department, and the interior minister and permanent secretary to discuss the Iraq-Kuwait situation.

After the meeting, Permanent Secretary of Interior Anan Anantakun told reporters that Thailand has followed up on the situation. So far there have been no indications that Thai workers there will be affected. However, Thailand will have to keep following up on the developments in order to know what to do next.

At about noon, the prime minister told reporters that the main purpose of the meeting was to inform them of the current situation on the Iraq-Kuwait conflict. However, Chatchai said the incident would not have any impact on Thailand because it occurred in the Middle East.

Thai Workers in Kuwait Safe

BK0308101790 Bangkok Domestic Service in Thai 0530 GMT 3 Aug 90

[Text] The Thai Government has tried to evacuate the Thai workers in both Kuwait and Iraq to safe areas following the Iraqi-Kuwaiti war. This has been disclosed by Deputy Interior Minister Watthana Atsawahem.

[Begin Watthana recording] My duty is in the Interior Ministry. Thailand will not get involved in the war. What I must look after is the 6,500 Thai workers. Now the 6,500 Thai workers are in the Thai Embassy. All of them are at the safe area except eight workers who are stranded in a building tower in Kuwait. No Thai workers were killed in the war and all of them are safe. I want the parents and relatives of the workers not to panic because the Thai Government has already taken measures to help the workers.

I am in charge of the country's labor affairs. We must protect and ensure safety for the workers in both countries. However, what we can do right now is send the workers to the embassies of both countries and halt the trips of other Thai workers who want to go to the two countries.

As entry to and exit from Kuwait is closed now, the only assistance we can give is to have the workers at safe areas—at the embassy. We must report the situation to the Foreign Ministry so it can consult with the Interior Ministry for further measures. So, I want to inform the parents of the workers not to worry because no workers are in danger. Only eight workers are stranded at a building tower. We have instructed labor attaches to cooperate with the Thai Embassy and other agencies to help evacuate the eight people from the building tower. [end recording]

Editorial Urges Moratorium

BK0308021190 Bangkok THE NATION in English 3 Aug 90 p 4

[Editorial: "Stop Iraqi Aggression"]

[Text] The Iraqi invasion of Kuwait yesterday was an unjustifiable act of aggression. Thailand must join the world community in condemning this blatant violation of Kuwait's sovereignty and the United Nations Charter and demand unconditional withdrawal of Iraqi forces.

The invasion was an obvious attempt by Baghdad to take oil-rich Kuwaiti territory and force the tiny sheikhdom to write off debts of more than $10 billion Iraq owes as a result of heavy borrowing during the war with Iran.

Baghdad claimed that its forces entered Kuwait at the request of a group of unidentified "young revolutionaries" who toppled the government of Shaykh Dabah Al-Ahmad Al-Jabir Al-Sabah in a coup and said they would remain in Kuwait to deter any foreign intervention during the formation of a new government. Saudi Arabia, Egypt and the US, among other nations that have maintained close contact with the Kuwaiti government, had detected no signs of a possible coup. Most observers have already come to the conclusion that Baghdad not only lied about the coup but intends to set up a puppet regime.

Baghdad is known to have designs on annexing Kuwait to exploit its immense petroleum reserves. Kuwait is the world's 10th largest oil producer (Iraq is the 8th), and capable of exporting at least one million barrels of crude a day. The additional oil revenues from the annexation would undoubtedly boost Iraq's war-making capability, and make it an even bigger threat to stability in the Persian Gulf region.

Iraq and Iran ended their nine-year war of attrition in a cease-fire in August 1988, chiefly because both sides were too exhausted economically to continue fighting. More recently, Baghdad threatened to wipe out half of the Israeli population in a chemical attack. And a few days ago it threatened punitive action against Kuwait and the United Arab Emirates [UAE] for allegedly glutting the world oil market and causing Iraq to suffer a sharp fall in oil revenues.

The lightning pre-dawn invasion by Iraq came just a few hours after a breakdown in the Iraqi-Kuwaiti talks brokered by Saudi Arabia and Egypt in Saudi Arabia's port city of Jeddah. Iraqi negotiators charged that their Kuwaiti counterparts had not been serious about the negotiations. Kuwaiti negotiators, though turning down most of the Iraqi demands, called in vain for an early resumption of the talks. Baghdad chose to use force instead. The invasion will set a very dangerous precedent if Baghdad gets away with it and forces Kuwait to accede to its whims.

Apart from demanding unconditional withdrawal of all Iraqi forces from Kuwait, the UN Security Council must also call for a moratorium on supplying arms to Iraq. The country has been teetering on the brink of bankruptcy because of the results of its war with Iran. It does not appear to have enough resources—partly because of the oil glut in recent years and the heavy burden of servicing a foreign debt of more than $50 billion—for economic reconstruction, let alone arms purchases.

The Soviet Union and China are Iraq's major arms suppliers. They must show their responsibility by halting any shipments until Baghdad ends its aggression in Kuwait and demonstrates its readiness to return to the world community as a peaceful and reasonable member.

Baghdad's complaint about the oil glut did have a legitimate basis as both Kuwait and the UAE openly exceeded their oil-production quotas set by OPEC. Both Kuwait and the UAE had agreed to cut oil output and accept a lower export quota (in Kuwait's case, from 1.9 million barrels a day to 1.5 million) in deference to Iraq's wish to drive up oil prices from around $18 a barrel to at least $21. Iraqi leaders say the present prices are too low, considering the fact that they were around $40 a barrel at the early stage of the Iraqi-Iranian war in 1980.

Though Kuwait is not an ally of the United States, Saudi Arabia and the UAE are. Washington has thus sent in a naval task force, led by the USS Independence aircraft carrier, to deter any Iraqi aggression against these two US allies.

The United States also has a direct economic stake in peace and stability in area, as it obtains 27 percent of its oil imports from the Persian Gulf. Other oil-importing countries in Asia, notably Japan and Thailand, rely heavily on supply from the Gulf region which produces about one-fourth of the world oil supply. Protracted tension in the Gulf would cause an oil shortage and a sharp increase in oil prices. The Iraqi invasion already caused significant price drops in major stock markets, including an over 13-point drop in the Securities Exchange of Thailand.

As Baghdad's grievance is ecconomic in nature, it should immediately pull out all its forces from Kuwait and resume the negotiations in good faith. Saudi Arabia and the UAE can help Kuwait in meeting Iraqi demands for compensation for shortfalls in oil revenues. After all, these three countries, who in 1981 formed the Gulf Cooperation Council as a collective defence grouping against Iran, did derive some security benefits while Iraq had to bear the brunt of fighting Iran for nearly a decade.

The worst secenario from yesterday's Iraqi invasion is a direct clash between Saudi Arabia and Iraq over Kuwait, bringing the United States into the fray. Then all hell would break loose as the Iraqi leadership, particularly President Saddam Hussein, is highly unpredictable.

This makes it imperative for the UN Security Council to act quickly and decisively. Baghdad must be told in no uncertain terms that it must stop the aggression in Kuwait or face economic sanctions and other punitive measures. The world community has a collective duty to see to it that Baghdad does not gain from this devious action.

Paper Views Chatchai's Reshuffle Dilemma

BK2907075290 Bangkok THE NATION in English 29 Jul 90 p 7

[Report From the Political Desk]

[Text] He knows he has to do something about his Cabinet after the no-confidence debate despite the overwhelming victory in numerical terms. But the government's credibility has undoubtedly been dented to a great extent.

Rumours of an imminent Cabinet reshuffle are no more than just mere speculation. It's not a question of whether there will be a reshuffle. Rather it's when and how far-reaching.

Prime Minister Chatchai Chunhawan has proved to be a shrewd politician with his carrot-and-stick gimmicks. He threatened to reshuffle the Cabinet before the censure debate to keep the coalition partners in line and to soften the tone of the opposition parties, some of whom were obviously hoping to join a new Cabinet line-up.

Then, just before the debate, he declared that there would be no changes in the Cabinet. Again, that was aimed primarily at allaying fears among his coalition partners. He wanted to make sure that the government would be united in the face of the political onslaught in the House.

When the opposition staged a walkout in the heat of the confrontation between House Speaker Pancha Kesonthong and the opposition parties over PM [Prime Minister] Office Minister Chaloem Yubamrung, the premier walked up to Gen. [General] Athit Kamlang-ek, leader of Puangchon Chao Thai Party, the only key opposition leader who did not join the boycott. The premier obviously was playing a very clever game. He knew the TV cameras were on and that the viewers at home were watching very closely.

The chummy-chummy scene was far from an accident. In fact, the move worked so well calculated that even Gen. Athit himself was deluded into believing that his chances of joining the government had been greatly enhanced as a result.

Not surprisingly, Gen. Athit was talking the other day as if his joining the new Cabinet was on the card. His apparent enthusiasm, however, could have already backfired. The former army chief, who was fired by former Premier Prem Tinsulanon "out of the blue" a few years ago before he virtually went into limbo, was suggesting that he could become the new defence minister although there had been doubts that he might not get along with "Class Five" many of whom now hold senior positions in the Armed Forces.

Athit has had no love lost with Class Five. But when he said "soldiers could always talk things over," he was ostensibly bending over backwards to get into the government. Political finesse was thrown out of the window.

Observers immediately concluded that with Athit's uncontrolled enthusiasm to cross from the opposition bench, it would appear that his chances have been effectively thwarted.

Speculation of a Cabinet reshuffle, however, has not died away. Will Samak Sunthorawet's Prachakon Thai Party join the reshuffled Cabinet? That possibility was in fact on the rise just before the July 18-20 censure debate.

But Samak managed to undermine his own chances by making sweeping assaults on a number of Cabinet members during his verbal attack which included a number of leading Chat Thai members. His open confrontation with Deputy Interior Minister Watthana Atsawahem who hit back with some damaging accusations and the counter-attacks from other Cabinet members did put Samak in a bad light. He was to be a "hero" in the debate. But the rebuttals proved equally, if not more, convincing.

Samak, at least for now, must have dropped any hopes of joining the Cabinet under the circumstances.

The major opposition party, Solidarity led by Narong Wongwan, could have bargained for a role in the new Cabinet line-up, too, had it not been for the noisy trading of harsh words between the party's key MPs [members of parliament] and certain Cabinet members, notably Chaloem. Now, the Solidarity Party has opted to go on the collision course with the government, trying to woo the Senate to join them in a call for an extraordinary parliamentary session so that a second no-confidence motion could be launched against the Chatchai administration.

If that sounded far-fetched and even unreasonable so soon after the first censure debate was staged, the unrelenting campaign by the opposition and a public opinion poll conducted by a team led by Thirayut Bunmi who showed a dramatic decline in popularity rating for the government have put Chatchai in a spot.

He cannot afford not to shake up his Cabinet to attain a "new look" anymore. If nothing else, factions within Chat Thai Party have surfaced to apply additional pressure for some changes.

Rumours have suggested that Finance Minister Pramuan Saphawasu's faction and Interior Minister Banhan Sinlapa-acha's group in Chat Thai have been working behind the scenes to force some changes. However unlikely it may sound, some observers said over the weekend that Pramuan may be named a deputy prime minister in the new line-up while Banhan may be made finance minister instead.

The formula doesn't sound credible. But it has also been reported that one of Chatchai's close aides, PM Office Minister Kon Thappharansi, has met Gen. Chawalit Yongchaiyut again—after the censure debate—to invite him back to become deputy premier and defence minister. All these suggest that Chatchai has again tried to test the waters to see how he could repaint the political landscape to ensure his survival.

Deputy Interior Minister Sano Thianthong, another key member of the Chat Thai Party, has come out publicly to confirm that the prime minister has made no secret of his plan to reshuffle the Cabinet—on a limited scale. He indicated that the formula would involve changes in personality among the coalition partners.

In other words, Sano was suggesting that the coalition parties will remain intact while changes will be made within the parties themselves.

This appears to be the most likely scenario, if Chatchai had his way. The prime minister wants the least changes possible. If he could help it, the status quo would be his preference. But that would be unacceptable to many influential elements within his own Chat Thai Party and other coalition partners. Chatchai also realizes that he could not possibly hope to complete his four-year term—scheduled to end two years from now—without a facelift in his government, no matter how cosmetic it may be.

The military has remained remarkably calm over the no-confidence debate and its aftermath. Army Commander-in-Chief Gen. Suchinda Khraprayun has been making public statements which gave no indication of any attempt by the military to push things one way or the other although insiders continue to claim that the political undercurrents remain strong against the government.

Whether Suchinda's order to the Army radio stations to refrain from airing political commentaries was aimed at sending a message of noninterference in the political scene or not, the military for the moment appears to have taken a few steps back to let Chatchai play out his own drama.

The apparent calm, however, is no guarantee of continued political stability for Chatchai. He is damned if he rufused to shake up his Cabinet. He is also damned if he did. It's a no-win situation in which Chatchai has so far managed to muddle through all right. He may yet produce another miracle with his sleight-of-hand gimmicks.

Vietnam

AFP Reports 600 Investors Demonstrate in Hanoi

BK0308055090 Hong Kong AFP in English 0525 GMT 3 Aug 90

[Text] Hanoi Aug 3 (AFP)—A protest demonstration here this week by hundreds of irate savers led the Vietnamese Government to announce Friday new measures to cope with a series of bankruptcies in private credit and loan companies.

The demonstration Wednesday, which was not reported in the official media, involved about 600 people who gathered in front of the main government building here, several sources reported. Police dispersed the demonstrators without incident after they were told they could meet on Monday with Prime Minister Do Muoi, the sources said. The official daily NHAN DAN reported Friday that the government had taken "urgent measures to solve the problem of non-state credit institutions...undergoing payment difficulties, thus worrying savers."

The measures include confiscation and sales of goods belonging to bankrupt credit companies, criminal proceedings against their directors and longer loan terms, as well as bank loans and temporary exemptions or tax reductions for the companies. The bankruptcies are in large part due to bad investments by company managers who are then unable to repay loans for which they had promised very high interest rates—sometimes up to 25 per cent over two months. An element of embezzlement is also involved, sources said, with some companies misappropriating investors' funds.

NHAN DAN appealed for calm Friday, asking citizens who had lost money to the private companies to "not provoke trouble and avoid being incited by unsavory elements." A similar situation had occurred in March in Ho Chi Minh City, the country's financial capital, where demonstrators succeeded in obtaining the reimbursement of part their lost savings by public banks. Legally uncontrolled, private credit and loan companies have mushroomed in Vietnam over the past year to profit from large amounts saved by the Vietnamese who mistrust state-run banks, which, in any case, offer very low interest rates.

Ambassador to UN To Meet With U.S. Official

BK0308113990 Hanoi International Service in English 1000 GMT 3 Aug 90

[Text] A spokeswoman of the Vietnamese Foreign Ministry Miss Ho The Lan held a regular press conference in Hanoi on Thursday, 3 July.

She informed Vietnamese and foreign newsmen that according to the proposal of the American side, Ambassador Trinh Xuan Lang, head of the Vietnamese representation at the United Nations, will meet Mr. Quinn, deputy assistant secretary of state of the United States on August 6.

Joint Oil, Gas Venture With USSR Updated

BK0308081790 Hanoi International Service in English 1000 GMT 31 Jul 90

[Text] The Vietnamese-Soviet joint venture in oil and gas was set up late 1981 and became operational early in the following year. Exploitation began in 1986, one year after the discovery of oil.

By May this year, the company had produced 3.5 million tons of crude. Vietso Petrol employs 5,000 people, 80 percent of them Vietnamese. It is well equipped for offshore exploration and exploitation. Ninety percent of the probes have proved positive. At Bach Ho field alone, the company is operating seven platforms with a total of 50 wells. Daily output averages 8,000 tons of crude. It will take a few more years to make a complete profit and loss statement, yet stress should be laid on the importance of equipment, technologies, and skills.

Now, in the last decade of the 20th century, we are still equipped with [word indistinct] was manufactured in the 1950's and 1960's. That precludes high productivity. Mention should also be made of training. In the eight years of cooperation with the Soviet Union, thousands of Vietnamese experts and skilled workers have been trained. Since the company began purchasing high-tech equipment from the West and Japan, Soviet experts and workers themselves have been able to profit from the training. Some training has been exclusively provided by Vietso Petrol, which benefits cannot be expected from Western companies whose sole interest lies in production.

Another problem is that the joint venture agreement signed in 1981 does not give Vietso Petrol a full hand in the acquisition of equipment and in pricing. All this is undertaken by the other organizations, the one in Vietnam being PETECHIM—the Vietnam National Oil Equipment and Technical Import-Export Corporation. This paradox should be done away with now that Vietso

Petrol is embarking on full-scale cost accounting. The company definitely cannot go on with subsidy-based methods when both Vietnam and the Soviet Union are shifting to new economic mechanisms.

Priority must now be given to modernization of equipment and production technology to meet international standards, and Vietso Petrol must acquire a high level of efficiency by the end of this decade. The immediate target for 1990 is to exceed the mark of 2.5 million tons of crude.

Radio Views Process of Unification in Germany

BK0308061790 Hanoi International Service in English 1000 GMT 31 Jul 90

[Station Commentary]

[Text] The world, especially Europe and the United States, are worrying about the quick process of unification of Germany. In this connection, the Voice of Vietnam has this to say:

At present, it is general knowledge that the unification of Germany is inevitable. However, many countries, especially European countries and the United States, are concerned about the Gernman unification because a united Germany would be a politically, militarily, and economically powerful country. It would influence the stability and security of Europe and the rest of the world.

The Soviet Union accepted the NATO membership of a united Germany on condition that it would not considerably change the strategic military balance in Europe. For this very reason, during the negotiation the Soviet Union has always linked the progress of Germany's unification to the establishment of a new structure of security and cooperation in Europe and encouraged the Helsinki (?ACT) member countries to take part in this evolution.

Meanwhile, the United States is taking full advantage of a future united Germany with 80 million people as a NATO member and, at the same time, seeking ways to cope with this emerging state as a new power center, which bows less to the United States.

For their part, Britain and France, though with different levels, are worried that a united Germany would influence their political position. The East European countries, especially Poland, are afraid that a united Germany would raise again the border question. For this reason, Poland demanded the official recognition by Germany of all their main borders and the signing of a treaty on borderlines.

To calm down these worries, the government of Chancellor Helmut Kohl declared its readiness to allow the maintenance of the Soviet military presence in the GDR's territory for a period of time up to the country's unification and affirmed that a united Germany would be a NATO member and that the unification of the country would be put under the framework of European unification. This is a new formula for the settlement of the problem of Germany's unification in conformity with the new international order, turning from confrontation in the cold war into cooperation and struggle in peaceful coexistence.

The relations between Vietnam and Germany also developed in the direction toward a united Germany. Both Vietnam and the two German states held that the commitments between Vietnam and the GDR are favorable conditions for the relations between Vietnam and the future united Germany.

On the occasion of the visit to the FRG by Vietnamese Foreign Minister Nguyen Co Thach, the host government declared that a united Germany is prepared to continue the agreements signed with Vietnam. In late July, a delegation of interparliamentary delegations [as heard] of GDR and FRG visited Vietnam and affirmed that a united Germany would strengthen its ties with Vietnam.

For its part, Vietnam also hopes for its comprehensive cooperation with a united Germany on the principles of equality, mutual respect for each other's independence, and mutual benefit.

'Tragedy' of Socialist Revolution Examined

BK2607142790 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jun 90 pp 13-21

[Article by Lieutenant General Professor Le Xuan Luu: "Socialist Revolution and the Communist Party's Leadership Based on President Ho Chi Minh's Concepts"]

[Text] We are living at a time when the development of mankind is full of great challenges and upheavals. Many incidents—some very cruel and ironic—have taken place in various parts of the world and have had a strong impact on the thinking and sentiments of genuine communists, as well as on the conscience of the progressive world people.

The realities of the socialist revolution in the past seven decades and more have testified to the enormous vitality of the fundamental Marxist-Leninist principles governing the socialist revolution. In many countries, under the leadership of the working class' vanguard brigade, workers and other laboring people have scored marvelous achievements. The communist party has become the brain, the conscience, and the honor of the era.

During the recent past, however, the communist parties in many countries have lost the masses' trust. People have denied the party leadership over the various aspects of national life. Some even have regarded the party as their enemy, out of misunderstanding. A number of parties have virtually disintegrated because the members have renounced their party membership. Many new parties have been formed and their platforms have openly rejected Marxism-Leninism and have straightforwardly renounced the principles governing a new party of the proletariat. A new type of "socialist democratic" party advocating peaceful reform and renouncing the class struggle has emerged. In the meantime, a parliamentary democratic regime with a free market-oriented economy, a multiparty system, and other practices of a bourgeoisie-led government has come into existence.

Are these new discoveries and inventions meant to keep pace with the changes of the era, as some people have claimed? Realities indicate just the opposite. Because we do not support dogmatism, one-sided thinking, and attempts to cling to old-fashioned modalities, we have regarded restructuring, reform, and renovation as part of a real revolution. Nonetheless, the very objective of restructuring, reform, and renovation is to help overcome shortcomings and abolish all those attributes which are inconsistent with the nature of socialism so the latter can preserve its inherent superiority and not assist in the restoration of capitalism. Instead of being separated from Marxist-Leninist principles, restructuring and reform must be based on these principles and must be carried out creatively so they can fully develop their vitality. The purpose of restructuring and reform is to help the communist party constantly improve its leadership over the socialist revolution, and not to deprive the communist party of its leading role. What has happened is a tragedy of history.

There are subjective and objective causes leading to this tragedy:

1. Socialist construction is something new. Because the communist party had to work its way through countless difficulties and hardships, it has experienced both successes and setbacks; it has scored achievements and at the same time has committed mistakes. Instead of being rectified, more and more of these mistakes have accumulated with each passing day, leading to a crisis. Incorrect leadership has prevented socialism from manifesting its fine nature, this being to bring about freedom, a bountiful life, and happiness for the masses and to help the laboring people restore the right of mastership. Worse still, a number of cadres and party members (including high-ranking cadres) have degenerated, enjoying special privileges, engaging in corruption, and misappropriating socialist property.

2. Restructuring and reform require self-criticism to eliminate sluggishness and stagnation—which are not part of the nature of socialism—so socialism can enhance its quality and preserve its inherent superiority. Regrettably, certain mistakes have been committed in the process of restructuring and reform, thus giving rise to incorrect tendencies and creating loopholes for anticommunist forces from within and the enemy from without to fulfill their interests.

3. We are completely wrong if we take into account only subjective causes and fail to see through the anticommunist forces' dark schemes. Since the birth of socialism, the enemy has always tried by all means to get rid of the communist parties and to deprive them of their leading role in the socialist revolution. It cannot be said that so far, the developments in many socialist countries have not been affected at all by the anticommunist forces' maneuvers. Particularly, taking advantage of the present situation, the imperialist forces headed by the U.S. imperialists have changed the "containment" strategy to a "beyond containment" strategy and have directly attacked the socialist countries through the "peaceful evolution" strategy. They have taken advantage of socioeconomic difficulties, violations against socialist democratic principles, and the degeneration of a number of cadres and party members to smear socialism and to discredit the communist parties' leading role. They have even taken advantage of mistakes in restructuring and reform, of excessive democratic measures in one area and unwillingness to get rid of conservatism and sluggishness in order to go ahead with restructuring and reform in another, and most serious of all, of the lack of unity within the communist parties themselves. In addition, they have made use of opportunistic and rightist elements, bourgeoisie-led freedom activists, remnants of monarchic and fascist regimes, reactionary religious leaders, discontented elements, demagogues—who always exist in large numbers in countries where socialist construction is under way—and the discontentment and blind actions of a number of poorly enlightened individuals to instigate the masses and to implement their "peaceful evolution" strategy.

Thus, the causes of the tragedy do not rest with the nature of Marxism-Leninism, socialism, or the communist parties but with the weaknesses and mistakes that the management boards, cadres, and party members have committed in the course of socialist construction and in the process of restructuring and reform. Nonetheless, opportunistic and rightist elements and the enemies of socialism have all blamed Marxism-Leninism and the communist parties for those errors and have rejected and abolished them, regarding these moves as part of a solution to the current situation. These are nothing but slanderous arguments used by the anticommunist forces to materialize their dark scheme aimed at restoring capitalism in socialist countries.

At present, as far as those problem-ridden countries are concerned, true communist forces still exist and continue to seek ways to rectify errors and shortcomings and to restore their prestige in the people. Many healthy forces continue to prevail among the masses. It is not easy for all these forces to forget the achievements which the socialist revolution has brought about in the past several decades. Nonetheless, the struggle of these genuine forces is time-consuming because they must proceed under extremely complicated circumstances.

It is clear that all these developments are like a touchstone for the communists and people of conscience and a sense of responsibility on our planet. To make history move forward and lead mankind to the kingdom of genuine freedom, peace, and happiness or to move backward to a regime full of the evils of exploitation of man by man and repression of nation by nation, to a society in which men adopt a wolf-like attitude toward their fellow men and stage destructive wars, and to a regime that has been condemned so many times by history; that is the distinction between revolutionary restructuring and reform on the one hand and disillusionment and failure to prevent oneself from falling into the enemy's trap on the other.

The communist party's leadership role in the socialist revolution has never been a disputed issue. Yet, the development of the situation has aroused the concern of communists. Is this role dictated by the subjective will and the prerogatives and privileges of the communists? No!

The communist party's leadership role in the socialist revolution is dictated by a principle. This role is a historic inevitability and mandate and is not dictated by anyone's will. This role is also not a prerogative or a privilege. This is because the communist party has no interest other than that of the class and the nation. This role is dictated by the party's responsibility toward the class, the nation, and history. These ideas have been affirmed by the founders of scientific communism. President Ho Chi Minh, who founded, educated, and trained the Communist Party of Vietnam, had always regarded party leadership as the foremost principle of the socialist revolution and as its assurance for success. This is easily understandable because the communist party is the vanguard brigade of the working class, a symbol of the epochal trend and the state of the socialist economy.

Marxism-Leninism is the revolutionary theory of the workers movement. Only the communist party equipped with a world outlook and the Marxist-Leninist methodology and which is capable of conceiving the objective law of socialist development, can draw the lines and orientations for building socialism, discarding private ownership and the system of man exploited by man, establishing the right to mastery for the laboring people, and bringing freedom, prosperity, and happiness to the people. No political force of any social class can perform this historic task. Is it possible then that the parties of peasants, small entrepreneurs, religions, etc., such as those now engaged in the power struggle in a number of countries are the political forces imbued with the capability of leading the revolution to discard private ownership and the exploitative system? Therefore, when discussing the socialist revolution, it would be a ploy or a deviation from the political and class outlook of the revolutionary struggle if one talks only about the leadership of parties other than the communist party, and about the multiparty system of opposition political forces representing various social classes. The communists do not take the leadership role for granted and at the expense of the qualities and talents of the party. This inevitable historic role can only be real and firmly maintained if the party continues to be a vanguard brigade of the class and the people. The party must be equipped with a vanguard theory to guide the masses and must always make itself stable politically, ideologically, and organizationally if it is to become "truly ethical and civilized," as taught by President Ho Chi Minh. The party must be capable of introducing correct lines for building socialism. It must constantly renovate its personality, associate with the people closely, and be both the leader and the servant of the people. Only by doing this can the party's leadership role in the socialist revolution win the people's approval and be inscribed in both the Constitution and the people's hearts. Without the lofty qualities and abilities of a vanguard political brigade, its leadership role will not be easily acceptable to social forces.

The communists also need to clearly tell the people about this: That with the difficult and complex socialist construction being a completely new experience, the party cannot avoid making mistakes and stumbling. The party, however, must not distance itself from the people. It always must listen to the people's criticism and willingly correct its mistakes and shortcomings. At the same time, the party must also point out to the people that it is their responsibility to help the party overcome its mistakes and shortcomings and that they should not blame these on Marxism-Leninism or the party, as this will make them skeptical and eventually criticize and negate the party's leadership role.

Based on President Ho Chi Minh's concepts, one of the key issues in party building work is that to avoid losing its leading role, the party must constantly improve its intellectual ability to be able to fulfill all tasks entrusted to it by history, while satisfactorily tackling the following fundamental issues:

—The party must define correct policies for economic development and bring about a free, abundant, and happy life for the people.

—The party must truly restore the laboring people's rights as masters of society and the country.

—The party must truly serve as the symbol of "morality and civilization," eradicate all negative phenomena within itself and in society, and make socialism a properly equitable and humanitarian social system.

I. Determine the socialist revolutionary lines.

To define correct policies, we must, first of all, have a correct comprehension of socialism. Founders of scientific communism have also determined the most essential things for the socialist revolution with some formulas such as "liberation of the workforce," "elimination of private ownership," and "expansion of labor productivity." "Liberation of the workforce" must include the liberation of those who are subject to oppression and exploitation. "Elimination of private ownership" means getting rid of the root cause of exploitation. "Expansion of labor productivity" is a way of ensuring an abundant life while labor productivity is a way of ensuring victory for the socialist economic structure over the capitalist economic structure. Meanwhile, various dogmatists have stressed the democratic, upright, and humanitarian nature of socialism.

President Ho Chi Minh also had a similar concept of the nature of socialism. He explained it, however, in a diffrent way: Socialism is a social system that can bring about an abundant and happy life for the people and the right to mastery for the laboring masses. It is also an equitable and humanitarian social system. As he put it: Socialism is a social system of the people, by the people, and for the people.

Socialism can only manifest a general nature and cannot shape a general model for all countries, because building socialism must be based completely on the historical background and specific conditions of each country. For this reason, various dogmatists do not advocate the "formulation" of a new social system. They hold that the specific form of this system must be sought and discovered from the historical process of building socialism itself and can only be created by the masses. Naturally, that creativity cannot be materialized without the party's leadership. The party, however, needs a high level of intellect to undertake this historic mission.

To successfully build socialism with such a nature, as some dogmatists put it, we must go through a process of construction plagued with difficulties and complexities. Because we wanted to build socialism immediately, however, we have closed our eyes to the law of objective evolution, allowed ourselves to fall victim to subjectivism and voluntarism, and bypassed the essential stages and steps of transition. Socialism must be built on what has been left by the former regime. But because we have separated various stages of development of human society and held that each regime must have everything of its own, we have denied everything of the old society and the right of succession of history and of human civilization. This mistake brought about serious consequences for various socialist countries.

After committing some mistakes in the past years, the Communist Party of Vietnam [CPV] has intensively carried out the process of renovation. In light of the the Sixth Party Congress resolution, our party has proceeded in recent years from an economy characterized mostly by small-scale production to seek transitional forms and steps to create the necessary economic, technical, social, and cultural premises for the period of transition to socialism without going through the stage of the development of capitalism.

Our party positions and policies on renovation have gradually penetrated the people's daily life and have brought about positive changes in many aspects, especially in the development of grain production, curbing inflation—which has begun to improve—and stabilizing prices.

Our nation has faced numerous difficulties, however, and has not overcome the current socioeconomic crisis. Many problems related to the building of socialism during the transition have not been firmly grasped and resolved. For this reason, the important tasks for our revolution during this historic transition are to formulate a revolutionary platform for Vietnam, design an economic and national defense strategy, and build new party statutes. These tasks will lead us to our goal and serve as a base for strengthening unity between our party and people, thereby creating a vigorous force for fulfilling the complicated and difficult tasks at present.

As a result, the party must strive to bring into full play the talents of our entire party and people to help the formulation of a revolutionary platform and an economic strategy, as well as the building of new party statutes. We cannot belittle these tasks at all, because without them no agency can firmly grasp and correctly and effectively resolve the problems of the nation.

It is necessary to draw on the revolution in other nations and combine it with the experiences from our revolution to build theories to help the formulation of a correct revolutionary platform, strategies, and policies to support our chosen path.

Only by scoring these achievements will the party be able to integrate the strength of the masses, win their confidence in the party and thus consolidate itself.

2. On the laboring people's right to mastery over society and the nation.
Efforts to ensure the laboring people's right to mastery over society and the nation is a striking thought of President Ho Chi Minh. The great power of socialism is to make men become true masters of their country and their labor productivity. It is necessary to say that each emergent social system will bring about a stronger moving force and improvements in some aspects compared to the former regime. There has been no social system in history, however, that has produced a stronger moving force than the human forces who are masters of socialism.

In building socialism, however, various nations have not exploited and brought into full play this moving force and have not formulated a method to make men become masters in building a new society.

The system of bureaucratic centralism and state subsidy has turned the laboring people—a moving force for building socialism—into passive elements who sit and wait for the party and state to decide all goods production and distribution activities, measures to meet demand, and methods to implement democracy. Moreover, in some countries, people were suppressed by the authorities. These are the reasons why people felt that they were getting "a new ruling regime" after the revolution, rather than liberation and becoming masters of society. Consequently, they feel the socialist system is not a system for the people, by the people, and of the people, thereby losing confidence in the party.

In Vietnam, however, the situation is different. During the wars, our party adopted correct lines and maintained flesh and blood relations with the people. Thus, they were able to liberate the people and score victories after victories. For this reason, the Vietnamese people have extended their wholehearted support and have placed their firm confidence in the party. Since the unification of the nation and the national advance toward socialism, however, our party has committed mistakes by applying bureaucratic centralism and state subsidy, thus affecting the laboring people's right to mastery and diminishing the people's confidence in the party.

During the past several years, along with economic restructuring, our party gradually has implemented political reform. The objective of this reform is to materialize the motto of "regarding the people as the root." Our party has tried to implement the principle of securing conditions for "the people to understand, discuss, implement, and supervise" and also to replace the system of bureaucratic centralism and subsidy with the mechanism of "mastery by the people, management by the state, and leadership by the party." At the same time, our party has sought ways to renovate its work style and strengthen its flesh-and-blood relations with the people so that it is able serve as their real leader and servant. This is a correct orientation because it reflects the nature of both the party and socialism.

Political reform must be carried out uniformly and systematically through appropriate steps to guarantee political security—a fundamental condition for renovation. First of all, it is necessary to implement the people's right to mastery in economic affairs, as this will lead to autonomy in business and production operations according to the law. This also will be a driving force to boost production and stabilize people's lives.

Renovation of the political system calls for efforts to clearly define the functions of the party, the state, people-elected organs, mass societies, and social organizations. In this way, there will be conditions to satisfactorily resolve relations between the aforementioned bodies, first of all, the relations between the party and other organizations. The party assumes a leadership role in the socialist political system. This role must be fulfilled in terms of nature, a program of action, and leadership methods. As far as nature is concerned, the party must assume political leadership. Regarding a program of action, the party must formulate major policies, strategies, and measures for social development in all fields; must recommend competent, professional, and ethically good cadres to take charge of state agencies and social organizations; must oversee the implementation of set policies and lines and make corrections or amendments if necessary; and must carry out mass mobilization work and create a political, moral, and ideological atmosphere for translating policies and lines into reality. As far as leadership methods are concerned, it is important to remember that it is truth and good example, not imposition, that bear the power of persuasion.

By so doing, the party will not assume the managerial function of administrative bodies or intervene in the specific activities of state agencies. Instead, it will truly respect people-elected organs—which represent the people's power—and the independent roles of mass societies. This also calls for efforts on the part of administrative mechanisms, people-elected organs, and mass societies to renovate their organizations and operations to fully develop their responsibilities and efficiency in national construction.

In bringing about the right of mastery for the laboring people, efforts are needed to consolidate the legal system. Laboring people exercise their right of mastery through the law. If there is no respect for the laboring people's right to mastery, then there will be no socialism. And, if there is no socialist legal system, there will be no means for laboring people to exercise their right of mastery. Under the socialist regime, there must be a firm prop based on law, to guarantee conditions for social activities to be carried out efficiently. The socialist legal system is both a manifestation and a guarantee of the laboring people's right of mastery. No one is above the law, including party organizations, cadres, and party members.

Therefore, efforts to build a legal state which comes from, belongs, and works for the people must go hand in hand with attempts to renovate the party leadership.

3. The party must serve as the symbol of "morality and civilization," eradicate all negative phenomena within itself and in society, and make socialism a properly equitable and humanitarian social system.

Apart from being the symbol of "morality and civilization," the party must idealize one of President Ho Chi Minh's important concepts of humanity in the process of building socialism.

As the political vanguard unit of the working class, the party must manifest its leading role not only in its ability, but also in its ethical quality. The party has led the people in carrying out the socialist revolution to liberate them from oppression and exploitation. That is the party's objective and ideal. The party has had only one objective; to protect the interests of the working class and the nation. It is also for this purpose the people have joined the party in carrying out the socialist revolution.

In reality, however, the socialist revolution in many countries has not been carried out according to its objective. The mechanism of bureaucratic centralism and state subsidy has centralized political and economic powers into the administrative machineries at various levels, making them breeding grounds of favoritism, authoritarianism, and such practices as abusing power, seeking privilege, feasting on corruption, and expropriating socialist property. This situation has led to a lack of justice and humanity in society and caused the people to lose faith in the party.

The situation in Vietnam is somewhat different. Educated and trained by President Ho Chi Minh, many of our party leaders lead a healthy life and are always loyal to the interests of the people.

The situation of negativism in our party and society, however, is not an issue of minor concern. The practices of seeking privilege, feasting on corruption, and expropriating socialist property under numerous forms have been observed in many localities and are becoming relatively universal phenomena in all domains of the country's daily life. For several years now, our party has launched a campaign against negativism and has encouraged the masses to participate in the struggle against these criminal acts. The practical results obtained from this campaign, however, remain poor. This is due to many factors. But it is the failure to conduct inspection work thoroughly, to enforce discipline, and to prevent many loopholes in the management mechanism that is the main factor.

Now is the time for us to assess all the harmful effects of this problem. Responding to the call of the party and the state, our people have exerted efforts to overcome all difficulties and step up production to build the country. But they have been "indirectly exploited" by those with position and power in the state machinery through the expropriation of socialist property. In our society there are people who seek to engage in illegal activities. Many of these people are known to be in our ranks. They call themselves builders of socialism. In fact, they are trying to undermine socialism. The enemy is taking advantage of their ignominious acts to smear our regime. Their acts, which run counter to the nature of our party and regime, have weakened the people's confidence in our party and regime.

To resolve this situation, it is basically necessary for us to change the mechanism of management, draw the masses into participation in work related to state management and social management, and place the state machinery under the control of the people. Meanwhile, we must renovate party building work, strictly deal with and purge all degenerate and deviant elements from the party and the state machinery, and consider the struggle against negativism one of the most important tasks of our entire party and people in the present situation.

Fiji

Premier Says Forum Welcomes New Constitution

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[Text] Fiji's prime minister, Ratu Mara, says the Pacific leaders who attended the South Pacific Forum in Vanuatu have welcomed Fiji's new post coup Constitution as a positive step towards returning Fiji to representative government. From Port Vila, Radio Australia's South Pacific correspondent, Jemimah Gareth, says Ratu Mara's comments were made in a statement issued by his delegation.

Ratu Mara said he had held informal meetings with all Pacific Island leaders and with the prime ministers of Australia and New Zealand. He said he had been greatly touched by the response of understanding and support he had received from all of them. The leaders themselves had not made any comments on their talks with Ratu Mara or on Fiji's new Constitution.

Fiji's ousted coalition has condemned the Constitution as racist and undemocratic, and pledged to boycott elections held under it. Coalition spokesperson, (Mike Yasa), said Ratu Mara had attempted to use the forum to reestablish his pre-coup role as a broker who spoke on behalf of the island countries.

Papua New Guinea

Secessionists Demand Recognition of Independence

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[Text] The Bougainville secessionists have demanded that Papua New Guinea not only recognize Bougainville's unilateral declaration of independence but partially fund the new state.

The Bougainville delegation has demanded funding of its new central bank, the transfer of all Bougainville's assets back to the island, and the payment of all future wages of the new republic's public servants. The demands were made during peace talks with the Papua New Guinea Government on board the New Zealand warship the "Endeavour."

Our correspondent, Sean Dorney, reports from the talks that the Port Moresby government was presented with the document to sign which would set Bougainville up as an independent country partially funded by Papua New Guinea aid. Sean Dorney said the Papua New Guinea delegation was expecting a draft memorandum of understanding promoting the resumption of essential services to the island. However, what they received was a draft treaty recognizing the Republic of Bougainville and admitting that Papua New Guinea had lost what it referred to as the civil war.

The leader of the Papua New Guinea delegation, Sir Michael Somare, said he cannot possibly agree to the demands. Papua New Guinea has presented its own draft memorandum which provides for the lifting of the 17 May unilateral declaration of independence, the deferral of the political issue of sovereignty for later talks, and the establishment of mechanisms for restoring essential services.

The talks resume today but our correspondent said if there is no compromise it could also end today in deadlock.